

ANTI CAR THEFT ACT OF 1992

AUGUST 12, 1992.—Ordered to be printed

Mr. BROOKS, from the Committee on the Judiciary,
submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 4542 which on March 24, 1992, was referred jointly to the
Committee on the Judiciary and the Committee on Ways and Means]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill
(H.R. 4542) to prevent and deter auto theft, having considered the
same, report favorably thereon with an amendment and recom-
mend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof
the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anti Car Theft Act of 1992".

**TITLE I—TOUGHER LAW ENFORCEMENT
AGAINST AUTO THEFT**

Subtitle A—Enhanced Penalties for Auto Theft

SEC. 101. FEDERAL PENALTIES FOR ARMED ROBBERIES OF AUTOS.

(a) IN GENERAL.—Chapter 103 of title 18, United States Code, is amended by
adding at the end the following:

59-006

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“§ 2119. Motor vehicles

“Whoever, possessing a firearm as defined in section 921 of this title, takes a motor vehicle that has been transported, shipped, or received in interstate or foreign commerce from the person or presence of another by force and violence or by intimidation, or attempts to do so, shall be fined under this title or imprisoned not more than 15 years, or both.”.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of chapter 103 of title 18, United States Code, is amended by adding at the end the following new item:

“2119. Motor vehicles.”.

SEC. 102. IMPORTATION AND EXPORTATION.

Section 553(a) of title 18, United States Code, is amended by striking “fined not more than \$15,000 or imprisoned not more than five years” and inserting “fined under this title or imprisoned not more than 10 years”.

SEC. 103. TRAFFICKING IN STOLEN VEHICLES.

Each of sections 2312 and 2313(a) of title 18, United States Code, are amended by striking “fined not more than \$5,000 or imprisoned not more than five years” and inserting “fined under this title or imprisoned not more than 10 years”.

SEC. 104. CIVIL AND CRIMINAL FORFEITURE.

(a) **CIVIL FORFEITURE.**—Section 981(a)(1) of title 18, United States Code, is amended by adding after subparagraph (E) the following:

“(F) Any property, real or personal, which represents or is traceable to the gross proceeds obtained, directly or indirectly, from a violation of—

“(i) section 511 (altering or removing motor vehicle identification numbers);

“(ii) section 553 (importing or exporting stolen motor vehicles);

“(iii) section 2119 (armed robbery of automobiles);

“(iv) section 2132 (transporting stolen motor vehicles in interstate commerce); or

“(v) section 2313 (possessing or selling a stolen motor vehicle that has moved in interstate commerce).”.

(b) **CRIMINAL FORFEITURE.**—Section 982(a) of title 18, United States Code, is amended by adding after paragraph (4) the following:

“(5) The court, in imposing sentence on a person convicted of a violation or conspiracy to violate—

“(A) section 511 (altering or removing motor vehicle identification numbers);

“(B) section 553 (importing or exporting stolen motor vehicles);

“(C) section 2119 (armed robbery of automobiles);

“(D) section 2132 (transporting stolen motor vehicles in interstate commerce);

or

“(E) section 2313 (possessing or selling a stolen motor vehicle that has moved in interstate commerce);

shall order that the person forfeit to the United States any property, real or personal, which represents or is traceable to the gross proceeds obtained, directly or indirectly, as a result of such violation.”.

Subtitle B—Targeted Law Enforcement**SEC. 130. GRANT AUTHORIZATION.**

The Director of the Bureau of Justice Assistance shall make grants to Anti Car Theft Committees submitting applications in compliance with the requirements of this subtitle.

SEC. 131. APPLICATION.

(a) **SUBMISSION.**—To be eligible to receive a grant under this subtitle, a chief executive of an Anti Car Theft Committee shall submit an application to the Director.

(b) **CONTENT.**—Such application shall include the following:

(1) A statement that the applicant Anti Car Theft Committee is either a State agency or an agency of a unit of local government.

(2) A statement that the applicant Anti Car Theft Committee is or will be financed in part by a tax or fee on motor vehicles registered by the State or possessed or insured within the State, and that such tax or fee is not less than \$1 per vehicle.

(3) An assurance that Federal funds received under a grant under this subtitle shall be used to supplement and not supplant non-Federal funds that would otherwise be available for activities funded under such grant.

(3) A statement that the resources of the applicant Anti Car Theft Committee will be devoted entirely to combating motor vehicle theft, including any or all of the following:

(A) Financing law enforcement officers or investigators whose duties are entirely or primarily related to investigating cases of motor vehicle theft or of trafficking in stolen motor vehicles or motor vehicle parts.

(B) Financing prosecutors whose duties are entirely or primarily related to prosecuting cases of motor vehicle theft or of trafficking in stolen motor vehicles or motor vehicle parts.

(C) Motor vehicle theft prevention programs, including vehicle identification number etching programs, programs implemented by law enforcement agencies and designed to enable the electronic tracking of stolen automobiles, and programs designed to prevent the export of stolen vehicles.

(4) A description of the budget for the applicant Anti Car Theft Committee for the fiscal year for which a grant is sought.

SEC. 132. AWARD OF GRANTS.

(a) **IN GENERAL.**—The Director shall allocate to each State a proportion of the total funds available under this subtitle that is equal to the proportion of the number of motor vehicles registered in such State to the total number of motor vehicles registered in the United States.

(b) **GRANT AMOUNTS.**—If one Anti Car Theft Committee within a State submits an application in compliance with section 131, the Director shall award to such Anti Car Theft Committee a grant equal to the total amount of funds allocated to such State under section 132. In no case shall the Anti Car Theft Committee receive a grant that is more than 50 percent of the preaward budget for such Anti Car Theft Committee.

(c) **MULTIPLE COMMITTEES.**—If two or more Anti Car Theft Committees within a State submit applications in compliance with section 131, the Director shall award to such Anti Car Theft Committees grants that in sum are equal to the total amount of funds allocated to such State under section 132. In no case shall an Anti Car Theft Committee receive a grant that is more than 50 percent of the preaward budget for such Anti Car Theft Committee. The Director shall allocate funds among two or more Anti Car Theft Committees with a State according to the proportion of the preaward budget of each Anti Car Theft Committee to the total preaward budget for all grant recipient Anti Car Theft Committees within such State.

(d) **RENEWAL OF GRANTS.**—Subject to the availability of funds, a grant under this subtitle may be renewed for up to 2 additional years after the first fiscal year during which the recipient receives an initial grant under this subtitle if the Director determines that the funds made available to the recipient during the previous year were used in the manner required under the approved application.

SEC. 133. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated \$10,000,000 to carry out this subtitle for each of the fiscal years 1993, 1994, and 1995.

TITLE II—AUTOMOBILE TITLE FRAUD

SEC. 201. DEFINITIONS.

For purposes of this title:

(1) The term "automobile" has the meaning given such term by section 501(1) of the *Motor Vehicle Information and Cost Savings Act* (15 U.S.C. 2001(1)).

(2) The term "certificate of title" means a document issued by a State evidencing ownership of an automobile.

(3) The term "insurance carrier" means an individual, corporation, or other entity which is engaged in the business of underwriting automobile insurance.

(4) The term "junk automobile" means any automobile which is incapable of operation on roads or highways and which has no value except as a source of parts or scrap.

(5) The term "junk yard" means any individual, corporation, or other entity which is engaged in the business of acquiring junk automobiles for resale, either in their entirety or as spare parts, or for rebuilding or restoration, or for crushing.

(6) The term "operator" means person or entity designated as the operator of the information system in any contract or agreement executed pursuant to section 302(a)(2) or if no such contract or agreement is executed, the Secretary.

(7) The term "participating State" means a State which elects to participate in the information system pursuant to section 303.

(8) The term "salvage automobile" means any automobile which is damaged by collision, fire, flood, accident, trespass, or other occurrence to the extent that its fair salvage value plus the cost of repairing the automobile for legal operation on roads or highways exceeds the fair market value of the automobile immediately prior to the occurrence causing its damage.

(9) The term "salvage yard" means any individual, corporation, or other entity which is engaged in the business of acquiring salvage automobiles for resale, either in their entirety or as spare parts, or for rebuilding or restoration, or for crushing.

(10) The term "Secretary" means the Secretary of Transportation.

(11) The term "State" means any State of the United States, or the District of Columbia.

SEC. 202. NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM.

(a) INFORMATION SYSTEM.—

(1) **ESTABLISHMENT.**—Not later than January 1, 1996, the Secretary, in cooperation with the States, shall establish an information system which will enable States to gain instant access to information maintained by other States pertaining to the titling of automobiles.

(2) **OPERATION.**—The Secretary may authorize the operation of the information system established under paragraph (1) by contract, through an agreement with a State or States, or by designating, after consultation with the States, a third party which represents the interests of the States.

(3) **FEES.**—Operation of the information system established under paragraph (1) shall be paid for by a system of user fees. The amount of fees collected and retained by the operator pursuant to this paragraph, not including fees collected by the operator and passed on to a State or other entity providing information to the operator, shall not exceed the costs of operating the system.

(b) **MINIMUM FUNCTIONAL CAPABILITIES.**—The information system established under subsection (a)(1) shall, at a minimum, enable a user of the system instantly to determine—

(1) the validity and status of a document purporting to be a certification of title,

(2) whether an automobile bearing a known vehicle identification number is titled in a particular State,

(3) whether an automobile known to be titled in a particular State is or has been a junk vehicle or a salvage vehicle,

(4) for an automobile known to be titled in a particular State, the odometer reading of such vehicle on the date its certificate of title was issued, and

(5) whether automobile bearing a known vehicle identification number has been reported as a junk vehicle or a salvage vehicle pursuant to section 304.

(c) **AVAILABILITY OF INFORMATION.**—

(1) **TO STATE.**—Upon request of a participating State, the operator shall make available to such State information in the information system pertaining to any automobile.

(2) **TO LAW ENFORCEMENT.**—Upon request of a Federal, State, or local law enforcement official, the operator shall make available to such official information in the information system pertaining to a particular automobile, salvage yard, or junk yard.

(3) **TO PROSPECTIVE PURCHASERS.**—Upon request of a prospective purchaser of an automobile, including an entity that is in the business of purchasing used automobiles, the operator shall make available to such prospective purchaser information in the information system pertaining to such automobile.

(4) **TO INSURANCE CARRIERS.**—Upon request of a prospective or current insurer of an automobile, the operator shall make available to such prospective or current insurer information in the information system pertaining to such automobile.

(5) **PRIVACY.**—Notwithstanding any provisions of paragraphs (1) through (4), the operator shall release no information other than what is necessary to satisfy the requirements of subsection (b). In no event shall the operator collect an individual's social security number or enable users of the information system to obtain an individual's address or social security number.

SEC. 203. STATE PARTICIPATION IN THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM.

(a) ELECTION.—

(1) **NOTICE.**—A State may, by written notice to the operator, elect to participate in the information system established pursuant to section 202. A nonparticipating State shall be subject to withholding of funds under subsection (d).

(2) **REQUIREMENTS.**—Each participating State must agree—

(A) to make titling information maintained by such State available to the operator of the information system for the purpose of meeting the requirements of section 202, and

(B) to implement a practice of instant title verification checks in accordance with subsection (b).

(b) TITLE VERIFICATION REQUIREMENTS.—Each participating State must agree to perform an instant title verification check before issuing a certificate of title to an individual or entity claiming to have purchased an automobile from an individual or entity in another State. Such instant title verification check shall consist of—

(1) communicating to the operator the vehicle identification number of the vehicle for which the certificate of title is sought, the name of the State which issued the most recent certificate of title pertaining to the vehicle, and the name of the individual or entity to whom such certificate was issued; and

(2) affording the operator an opportunity to communicate to the participating State the results of a search of the information.

(c) GRANTS TO STATES.—

(1) **REVIEW OF STATE SYSTEMS.**—Not later than January 1, 1994, the Secretary, in cooperation with the States, shall—

(A) conduct a review of systems used by the States to compile and maintain information concerning the titling of automobiles, and

(B) determine, for each State, the cost of making titling information maintained by such State available to the operator of the information system for the purpose of meeting the requirements of subsection (b).

(2) **AWARD OF GRANTS.**—The Secretary may award grants to participating States to be used in making titling information maintained by such States available to the operator of the information system if—

(A) for any State that is a recipient of such a grant, the grant does not exceed—

(i) 25 percent of the cost of making titling information maintained by such State available to the operator of the information system as determined by the Secretary under subsection (d)(1)(B); or

(ii) \$300,000;

whichever is lower; and

(B) the Secretary determined that such grants are fair, reasonable, and necessary for the establishment of an information system under section 302(a)(1).

(d) WITHHOLDING OF HIGHWAY FUNDS FOR STATE NONPARTICIPATION.—

(1) **FIRST YEAR.**—The Secretary shall withhold 5 percent of the amount required to be apportioned to any State under each of sections 104(b)(1), 104(b)(2), 104(b)(5), and 104(b)(6) of title 23, United States Code, on the first day of the fiscal year succeeding the first fiscal year beginning after September 30, 1994, throughout which the State does not elect to participate in the information system under subsection (a).

(2) **AFTER THE FIRST YEAR.**—The Secretary shall withhold 10 percent of the amount required to be apportioned to any State under each of sections 104(b)(1), 104(b)(2), 104(b)(5), and 104(b)(6) of title 23, United States Code, on the first day of each fiscal year after the second fiscal year beginning after September 30, 1995, throughout which the State does not elect to participate in the information system under subsection (a).

(3) PERIOD OF AVAILABILITY; EFFECT OF NONPARTICIPATION.—

(A) FUNDS WITHHELD ON OR BEFORE SEPTEMBER 30, 1997.—

(i) **PERIOD OF AVAILABILITY.**—Any funds withheld under paragraph (1) or (2) from apportionment to any State on or before September 30, 1997, shall remain available for apportionment to such State as follows:

(I) If such funds would have been apportioned under section 104(b)(5)(B) of title 23, United States Code, but for this section, such funds shall remain available until the end of the second fiscal year following the fiscal year for which such funds are authorized to be appropriated.

(I) If such funds would have been apportioned under section 104(b)(1), 104(b)(2), or 104(b)(6) of title 23, United States Code, but for this section, such funds shall remain available until the end of the third fiscal year following the fiscal year for which such funds are authorized to be appropriated.

(ii) **FUNDS WITHHELD AFTER SEPTEMBER 30, 1997.**—No funds withheld under paragraph (1) or (2) from apportionment to any State after September 30, 1997, shall be available for apportionment to such State.

(B) **APPORTIONMENT OF WITHHELD FUNDS AFTER COMPLIANCE.**—If, before the last day of the period for which funds withheld under paragraph (1) or (2) from apportionment are to remain available for apportionment to a State under subparagraph (A), the State elects to participate in the information system, the Secretary shall on the day following the last day of such period apportion to such State the withheld funds remaining available for apportionment.

(C) **PERIOD OF AVAILABILITY OF SUBSEQUENTIALLY APPORTIONED FUNDS.**—Any funds apportioned pursuant to subparagraph (B) shall remain available for expenditure until the end of the third fiscal year succeeding the fiscal year in which such funds are apportioned. Sums not obligated at the end of such period shall lapse or, in the case of funds apportioned under section 104(b)(5) of title 23, United States Code, shall lapse and be made available by the Secretary for projects in accordance with section 118(b) of such title.

(D) **EFFECT OF NONPARTICIPATION.**—If, at the end of the period for which funds withheld under paragraph (1) or (2) from apportionment are available for apportionment to a State under subparagraph (A), the State has not elected to participate in the information system, such funds shall lapse or, in the case of funds apportioned under section 104(b)(5) of title 23, United States Code, shall lapse and be made available by the Secretary for projects in accordance with section 118(b) of such title.

SEC. 204. REPORTING.

(a) OPERATORS OF JUNK OR SALVAGE YARD.—

(1) **INVENTORY REPORT.**—Beginning 6 months after the date of the enactment of this section, any person or entity in the business of operating an automobile junk yard or automobile salvage yard shall file a monthly report with the operator. Such report shall contain an inventory of all junk vehicles or salvage vehicles obtained by the junk yard or salvage yard during the preceding month. Such inventory shall contain the vehicle identification number of each vehicle obtained, the date on which it was obtained, the name of the person or entity from whom the reporter obtained the vehicle, and a statement of whether the vehicle was crushed.

(2) **APPLICATION.**—Paragraph (1) shall not apply to persons or entities that are required by State law to report the acquisition of junk vehicles or salvage vehicles to State or local authorities if such authorities make such information available to the operator.

(b) **INSURANCE CARRIERS.**—Beginning 6 months after the date of the enactment of this section, any person or entity engaged in business as an insurance carrier shall file, directly or through a designated agent, a monthly report with the operator. Such report shall contain an inventory of all vehicles of the current model year or any of the 4 preceding model years which such carrier has, during the preceding month, obtained possession of and determined to be salvage or junk vehicles. Such inventory shall contain the vehicle identification number of each vehicle obtained, the date on which it was obtained, the name of the person or entity from whom the reporter obtained the vehicle, and the owner of the vehicle at the time of the filing of the report.

(c) ENFORCEMENT PROVISIONS.—

(1) **PENALTY AMOUNT.**—Whoever violates this section may be assessed a civil penalty of not to exceed \$1,000 for each violation.

(2) **PENALTY PROCEDURE.**—Any such penalty shall be assessed by the Secretary and collected in a civil action brought by the Attorney General of the United States. Any such penalty may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the United States to the person charged.

SEC. 205. FUNDING.

There are authorized to be appropriated \$7,000,000 for each of fiscal years 1993, 1994, and 1995 to carry out this title.

TITLE III—ILLICIT TRAFFICKING IN STOLEN AUTO PARTS

SEC. 301. STOLEN AUTO PARTS.

Title VI of the Motor Vehicle Information and Cost Savings Act is amended to read as follows:

“TITLE VI—ILLICIT TRAFFICKING IN STOLEN AUTO PARTS

“SEC. 601. DEFINITIONS.

“For purposes of this title—

“(1) The term ‘automobile’ has the meaning given such term in section 501(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001(1)).

“(2) The term ‘completed automobile’ means an automobile that requires no further manufacturing operations to perform its intended function other than the addition of readily available components such as mirrors or tire and rim assemblies or minor finishing operations such as painting.

“(3) The term ‘final stage manufacturer’ means a person who performs such manufacturing operations on an incomplete automobile that it becomes a completed automobile.

“(4) The term ‘first purchaser’ means first purchaser for purposes other than resale.

“(5) The term ‘incomplete automobile’ means an assemblage consisting, as a minimum, of frame and chassis structure, power train, steering system, suspension system, and braking system to the extent that such systems are to be part of the completed automobile and require further manufacturing operations to become a completed automobile other than the addition of readily attachable components such as mirrors and tire and rim assemblies or minor finishing operations such as painting.

“(6) The term ‘major part’ of an automobile means—

“(A) the engine block;

“(B) the transmission;

“(C) each door allowing entrance or egress to the passenger compartment;

“(D) the hood;

“(E) the grille;

“(F) each bumper;

“(G) each front fender;

“(H) the deck lid, tailgate, or hatchback (whichever is present);

“(I) rear quarter panels;

“(J) the trunk floor pan;

“(K) the frame or, in the case of a unitized body, the supporting structure which serves as the frame;

“(L) each major window; and

“(M) any other part of an automobile which the Secretary, by rule, determines is comparable in design or function to any of the parts listed in subparagraphs (A) through (L).

“(7) The term ‘major replacement part’ of an automobile means any major part—

“(A) which is—

“(i) not installed in or on an automobile at the time of its delivery to the first purchaser, or

“(ii) a customized or modified version of an original major part and is installed to replace a major part in or on a completed automobile after the manufacture of such automobile but before the time of its delivery to the first purchaser, and

“(B) the equitable or legal title to which has not been transferred to any first purchaser.

Such term does not include any mechanical or service component of a major part routinely or regularly replaced during the service life of the major part.

“(8) The term ‘vehicle identification number’ means a unique 17 character identification number assigned to an automobile by a manufacturer in compliance with applicable regulations.

“(9) The term ‘automobile theft prevention standard’ means a minimum performance standard for the identification of—

“(A) major parts of new automobiles, and

“(B) major replacement parts,

by inscribing or affixing numbers or symbols to such parts.

“SEC. 602. THEFT PREVENTION STANDARD.

“(a) IN GENERAL.—The Secretary shall by rule promulgate, in accordance with this section, an automobile theft prevention standard which conforms to the requirements of this title and which applies with respect to major parts and major replacement parts for automobiles. The standard under this subsection shall be practicable and shall provide relevant objective criteria.

“(b) TIMING.—

“(1) PROPOSED STANDARD.—Not later than 3 months after the date of the enactment of this title, the Secretary shall prescribe and publish a proposed vehicle theft prevention standard.

“(2) FINAL STANDARD.—As soon as practicable after the 30th day following the publication of the proposed standard under paragraph (1), but not later than 6 months after such date of enactment, the Secretary shall promulgate a final rule establishing such a standard.

“(3) EXTENSION.—The Secretary may, for good cause, extend the 3-month and 6-month periods under paragraphs (1) and (2) if the Secretary publishes the reasons therefor. Either such period may not, in the aggregate, be extended by more than 5 months.

“(4) EFFECTIVE DATE.—Such standard shall take effect not earlier than 12 months after the date such final rule is prescribed, except that the standard shall not apply to any automobile with a model year designation earlier than one year following the calendar year in which the standard becomes effective.

“(c) REQUIREMENTS.—

“(1) ENGINE BLOCKS, FRAMES, TRANSMISSIONS, AND WINDOWS.—In the case of engine blocks, frames, transmissions, and windows installed by the automobile manufacturer, the standard under subsection (a) shall require that each such engine block, frame, transmission, and window be permanently inscribed with the vehicle identification number of the automobile of which the engine block, frame, transmission, or window is a part.

“(2) MAJOR PARTS.—In the case of major parts other than engine blocks, frames, transmissions, and windows, the standard under subsection (a) shall require that each such major part has affixed to it a label that—

“(A) bears the vehicle identification number of the automobile in characters at least 2.5 millimeters tall;

“(B) is highly resistant to counterfeiting, through the use of retroreflective technology, encoded indicia technology, or other technology providing a level of security equivalent to or greater than that provided by retroreflective or encoded indicia technology;

“(C) cannot be removed in one piece from the part to which it is affixed; and

“(D) if removed from the part to which it is affixed, leaves on that part a permanent mark.

“(3) REPLACEMENT PARTS.—In the case of major replacement parts, the standard under subsection (a) shall require that each such major replacement part has affixed to it a label that—

“(A) bears a symbol identifying the manufacturer and a common symbol identifying the part as a major replacement part;

“(B) is highly resistant to counterfeiting, through the use of retroreflective technology, an encoded indicia technology, or other technology providing a level of security equivalent to or greater than that provided by retroreflective or encoded indicia technology;

“(C) cannot be removed in one piece from the part to which it is affixed; and

“(D) if removed from the part to which it is affixed, leaves on that part a permanent mark.

“(d) CONSTRUCTION.—Nothing in this title shall be construed to grant authority to require any person to keep records or make reports, except as expressly provided in sections 604(a) and 612.

“SEC. 603. COST LIMITATION.

“(a) COST LIMITATION.—The standard under section 602(a) may not—

“(1) impose costs upon any manufacturer of automobiles to comply with such standard in excess of \$15 per automobile, or

“(2) impose costs upon any manufacturer of major replacement parts to comply with such standard in excess of such reasonable lesser amount per major replacement part as the Secretary specifies in such standard.

“(b) COSTS.—The cost of identifying engine blocks, frames, and transmissions shall not be taken into account in calculating a manufacturer’s costs under subsection (a) of this section.

“(c) PRICE INDEX.—

“(1) CERTIFICATION.—At the beginning of each calendar year commencing on or after January 1, 1993, as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Secretary and publish in the Federal Register the percentage difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Effective for model years beginning in such calendar year, the amounts specified under subsections (a) (1) and (2) shall be adjusted by such percentage difference.

“(2) DEFINITIONS.—For purposes of paragraph (1)—

“(A) The term ‘base period’ means calendar year 1992.

“(B) The term ‘price index’ means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

“SEC. 604. DETERMINATION OF COMPLIANCE OF MANUFACTURER.

“(a) REQUIREMENTS.—Every manufacturer of any automobile any part of which is subject to the standard under section 602(a), and any manufacturer of major replacement parts subject to such standard, shall—

“(1) establish and maintain such records, make such reports, and provide such items and information as the Secretary may reasonably require to enable the Secretary to determine whether such manufacturer has acted or is acting in compliance with this title and such standard, and

“(2) upon request of an officer or employee duly designated by the Secretary, permit such officer or employee to inspect—

“(A) automobiles and major parts which are subject to such standard, and

“(B) appropriate books, papers, records, and documents relevant to determining whether such manufacturer has acted or is acting in compliance with this title and such standard.

Such manufacturer shall make available all such items and information in accordance with such reasonable rules as the Secretary may prescribe.

“(b) INSPECTIONS.—For purposes of enforcing this title, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, may enter and inspect any facility in which automobiles containing major parts subject to such standard, or major replacement parts subject to such standard, are manufactured, held for introduction into interstate commerce, or are held for sale after such introduction. Each such inspection shall be conducted at reasonable times and in a reasonable manner and shall be commenced and completed with reasonable promptness.

“(c) CERTIFICATION.—

“(1) SPECIFICATION.—Every manufacturer of an automobile subject to the standard promulgated under section 602(a), and every manufacturer of any major replacement part subject to such standard, shall furnish at the time of delivery of such automobile or part a certification that such automobile or replacement part conforms to the applicable standard under such section. Such certification shall accompany such automobile or replacement part until delivery to the first purchaser. Manufacturers may satisfy the requirement of this paragraph by furnishing certification in a form and manner prescribed by the Secretary or by proof of compliance with the standards of a third party certifying organization approved by the Secretary.

“(2) APPLICATION.—Paragraph (1) shall not apply to any automobile or major replacement part—

“(A) which is intended solely for export,

“(B) which is so labeled or tagged on the automobile or replacement part itself and on the outside of the container, if any, until exported, and

“(C) which is exported.

“(d) If a manufacturer obtains knowledge that (1) the identification applied, to conform to the standard under section 602, to any major part installed by the manufacturer in an automobile during its assembly, or to any major replacement part manufactured by the manufacturer, contains an error, and (2) such automobile or major replacement part has been distributed in interstate commerce, the manufacturer shall furnish notification of such error to the Secretary.

“SEC. 605. PROHIBITED ACTS.

“(a) IN GENERAL.—No person shall—

“(1) manufacture for sale, sell, offer for sale, or introduce or deliver for introduction in interstate commerce, or import into the United States any automobile or major replacement part which is manufactured on or after the date the standard under section 602(a) takes effect under this title for such automobile or major replacement part unless it is in conformity with such standard;

“(2) fail to comply with any rule prescribed by the Secretary under this title;

“(3) fail to keep specified records or refuse access to or copying of records, or fail to make reports or provide items or information, or fail or refuse to permit entry or inspection, as required by this title; or

“(4) fail to—

“(A) furnish certification required by section 604(c), or

“(B) issue a certification required by section 604(c) if such person knows, or in the exercise of due care has reason to know, that such certification is false or misleading in a material respect.

“(b) APPLICATION.—Subsection (a)(1) shall not apply to—

“(1) any person who establishes that such person did not have reason to know in the exercise of due care that the automobile or major replacement part is not in conformity with an applicable theft prevention standard,

“(2) the final-stage manufacturer of an automobile manufactured in 2 or more stages by 2 or more different manufacturers,

“(3) an individual or entity which is not the manufacturer of a completed automobile but which alters or modifies a completed automobile by outfitting it with a cargo-carrying or property-carrying body or with work-performing equipment, or

“(4) an individual or entity who assembles an automobile from parts which have been previously transferred to a first purchaser.

“(c) PARTS.—No person shall sell, transfer, or install a major part marked with an identification number without—

“(1) first determining, through a procedure established by the Attorney General under section 302 of the Anti Car Theft Act of 1992, that such major part has not been reported as stolen; and

“(2) providing the transferee with a written certificate bearing a description of such major part and the identification number affixed to such major part.

“(d) APPLICATION.—Subsection (c)(1) of this section shall not apply to a person who is the manufacturer of the major part, who has purchased the major part directly from the manufacturer, or who has been informed by an insurance carrier that the major part has not been reported as stolen.

“SEC. 606. ENFORCEMENT PROVISIONS.

“(a) CIVIL PENALTIES.—Whoever violates section 605 may be assessed a civil penalty of—

“(A) not more than \$1,000 for the first such violation;

“(B) not less than \$3,000 or more than \$5,000 for the second such violation; or

“(C) not less than \$7,000 or more than \$25,000 for each subsequent violation.

“(b) ACTION ON PENALTY.—Any civil penalty under subsection (a) shall be assessed by the Secretary and collected in a civil action brought by the Attorney General of the United States. Any such civil penalty may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered.

“(c) DEDUCTION.—The amount of a civil penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the United States to the person charged.

"SEC. 607. CONFIDENTIALITY OF INFORMATION.

"All information reported to, or otherwise obtained by, the Secretary or the Secretary's representative under this title which contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, or in section 552(b)(4) of title 5, United States Code, shall be considered confidential for the purpose of the applicable section of this title, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under the Secretary's control from any committee or subcommittee of the Congress.

"SEC. 608. JUDICIAL REVIEW.

"Any person who may be adversely affected by any provision of any standard or other rule under this title may obtain judicial review of such standard or rule in accordance with section 504. Nothing in this section shall preclude the availability to any person of other remedies provided by law in the case of any standard, rule, or other action under this title.

"SEC. 609. COORDINATION WITH STATE AND LOCAL LAW.

"Whenever an automobile theft prevention standard established under section 602(a) is in effect, no State or political subdivision of a State shall have any authority either to establish, or to continue in effect, with respect to any automobile or major replacement part covered by such standard, any regulation or law which is not consistent with such automobile standard.

"SEC. 610. VOLUNTARY IDENTIFICATION STANDARDS.

"(a) **AUTHORITY TO PROMULGATE.**—The Secretary may, by rule, promulgate an automobile theft prevention standard under which any person may elect to inscribe or affix an identifying number or symbol on major parts of any automobile manufactured or owned by such person for purposes of section 511 of title 18, United States Code, and related provisions. Such standard may include provisions for registration of such identification with the Secretary or any person designated by the Secretary.

"(b) **CRITERIA.**—The standard promulgated under subsection (a) shall be practicable and shall provide relevant objective criteria.

"(c) **VOLUNTARY COMPLIANCE.**—Compliance with the standard promulgated under subsection (a) shall be voluntary and failure to comply with such standard shall not be subject to a penalty or other enforcement under this title.

"(d) **RELIEF FROM REQUIREMENTS.**—Compliance with the standard promulgated under subsection (a) shall not relieve any manufacturer of any requirement under a standard promulgated under section 602.

"SEC. 611. STUDY REGARDING AUTOMOBILE THEFT.**"(a) REPORT.—**

"(1) **REPORT.**—Not later than 6 years after the date of the enactment of this title, the Secretary shall submit a report to the Congress concerning the impact of the Anti Car Theft Act of 1992 on automobile theft.

"(2) CONTENT.—The report required by this subsection shall include—

"(A) information about the methods and procedures used by public and private entities for collecting, compiling, and disseminating information concerning the theft and recovery of automobiles, including classes thereof, and about the reliability, accuracy, and timeliness of such information, and how such information can be improved;

"(B) data on the number of automobiles stolen and recovered annually, compiled by model, make, and line for all such automobiles distributed for sale in interstate commerce;

"(C) information on the extent to which automobiles stolen annually are dismantled to recover parts or are exported;

"(D) a description of the market for stolen automobile parts;

"(E) information concerning the premiums charged by insurers (other than insurers whose total premiums do not account for more than one percent of the total premiums of automobile insurance issued within the United States or for 10 percent or more of the total premiums for automobile insurance written within any one State) of comprehensive insurance coverage of automobiles, including any decrease in insurance loss costs resulting from automobile theft;

"(F) information concerning the costs to manufacturers, as well as to purchasers of automobiles, in complying with the standard promulgated under this title, as well as the identification of the beneficial impacts of the stand-

ard and the monetary value of any such impacts, and the extent to which such monetary value is greater than the costs;

“(G) information concerning the experience of Federal, State, and local officials in making arrests and successfully prosecuting persons for violations of sections 511, 512, 553, 2312, 2313, and 2321 of title 18, United States Code, in preventing or reducing the number, and rate of, thefts of automobiles that are dismantled for parts, and in preventing or reducing the availability of used parts that are stolen from automobiles;

“(H) information concerning the adequacy and effectiveness of Federal and State laws aimed at preventing the distribution and sale of used parts that have been removed from stolen automobiles and the adequacy of systems available to enforcement personnel for tracing parts to determine if they have been stolen;

“(I) an assessment of the performance of the information systems established under this title and title III of the Anti Car Theft Act of 1992, including an assessment of the feasibility of linking the 2 information systems; and

“(J) other pertinent and reliable information available to the Secretary concerning the impact, including the beneficial impact, of the Anti Car Theft Act of 1992 on law enforcement, consumers, and manufacturers.

“(c) **BASES FOR REPORT.**—

“(1) **CONTENT.**—The report under subsection (a) shall be based on (A) information provided by the Federal Bureau of Investigation, (B) experience obtained in the implementation, administration, and enforcement of the Anti Car Theft Act of 1992, and (C) relevant information available to the Secretary.

“(2) **CONSULTATION.**—In preparing such report, the Secretary shall consult with the Attorney General of the United States and with State and local law enforcement officials, as appropriate.

“(3) **REVIEW AND COMMENT.**—At least 90 days before submitting such report to Congress, the Secretary shall publish the proposed report for public review and for an opportunity for written comment of at least 45 days. The Secretary shall consider such comments in preparing the final report and shall include a summary of such comments with the final report.”

SEC. 302. NATIONAL STOLEN AUTO PART INFORMATION SYSTEM.

(a) **OPERATION OF INFORMATION SYSTEM.**—The Attorney General shall maintain in the National Crime Information Center an information system containing the identification numbers of stolen automobiles and stolen automobile parts. The Attorney General shall specify procedures by which individuals or entities seeking to transfer automobile parts may obtain a determination whether a part is listed in the system as stolen. If the Attorney General determines that the National Crime Information Center is not able to perform the functions of the information system required under this section, the Attorney General shall enter into an agreement for the operation of such a system.

(b) **MINIMUM INFORMATION.**—The information system under subsection (a) shall, at a minimum, include the following information pertaining to each automobile reported to a law enforcement authority as stolen and not recovered:

- (1) The vehicle identification number of such automobile.
- (2) The make and model year of such automobile.
- (3) The date on which the automobile was reported as stolen.
- (4) The location of the law enforcement authority that received the reports of the automobile's theft.
- (5) If the automobile at the time of its theft contained parts bearing identification numbers different from the vehicle identification number of the stolen automobile, the identification numbers of such parts.

(c) **AVAILABILITY OF INFORMATION.**—Upon request by a merchant dealing in automobile parts or an individual or enterprise engaged in the business of repairing automobiles, or by an insurance carrier whose business involves payment for repair of insured automobiles, the Attorney General or the entity or entities designated by the Attorney General shall immediately provide such merchant, individual, enterprise, or insurance carrier with a determination as to whether the information system under subsection (a) contains a record of an automobile or an automobile part bearing a particular vehicle identification number having been reported stolen.

(d) **FUNDING.**—There are authorized to be appropriated such sums as are necessary to carry out this section.

TITLE IV—EXPORT OF STOLEN AUTOMOBILES

SEC. 401. RANDOM CUSTOMS INSPECTIONS FOR STOLEN AUTOMOBILES BEING EXPORTED.

Part VI of title IV of the Tariff Act of 1930 is amended by inserting after section 646 the following new sections:

“SEC. 646A. RANDOM CUSTOMS INSPECTIONS FOR STOLEN AUTOMOBILES BEING EXPORTED.

“The Commissioner of Customs shall direct customs officers to conduct at random inspections of automobiles, and of shipping containers that may contain automobiles that are being exported, for purposes of determining whether such automobiles were stolen.

“SEC. 646B. EXPORT REPORTING REQUIREMENT.

“The Commissioner of Customs shall require all persons or entities exporting used automobiles, including automobiles exported for personal use, by air or ship to provide to the Customs Service, at least 72 hours before the export, the vehicle identification number of each such automobile and proof of ownership of such automobile. The Commissioner shall check all vehicle identification numbers obtained under this section against the information in the National Crime Information Center to determine whether any automobile intended for export has been reported stolen. At the request of the Director of the Federal Bureau of Investigation, the Commissioner shall make available to the Director all vehicle identification numbers obtained under this section.”.

SEC. 402. PILOT STUDY AUTHORIZING UTILITY OF NONDESTRUCTIVE EXAMINATION SYSTEM.

The Secretary of the Treasury, acting through the Commissioner of Customs, shall conduct a pilot study of the utility of a nondestructive examination system to be used for inspection of containers that may contain automobiles leaving the country for the purpose of determining whether such automobiles have been stolen.

EXPLANATION OF AMENDMENT

Inasmuch as H.R. 4542 was reported with a single amendment in the nature of a substitute, the contents of this report constitute an explanation of that amendment.

SUMMARY AND PURPOSE

Automobile theft in the United States is a major crime problem. Sophisticated theft rings are reaping enormous profits and costing American car owners billions of dollars each year. H.R. 4542, the Anti Car Theft Act of 1992, is designed to reduce auto theft significantly by taking the profit away from car thieves.

H.R. 4542 contains four titles. Title I increases federal sentences for auto theft, provides new asset forfeiture remedies against auto thieves, provides funding assistance to law enforcement, and creates a new crime for armed carjacking. Title II would enable state motor vehicle departments, law enforcement officials, prospective auto purchasers, and insurance carriers to check the validity of purported ownership documents, thereby preventing thieves from using ostensibly valid titles for stolen cars. Title III would require the marking of the major parts of automobiles with identification numbers, so that police officers can identify stolen parts; it would also require repair shops and automobile junk yards to use the identification numbers to avoid trafficking in stolen parts. Title IV would tighten the Customs Service’s supervision of exported automobiles.

DISCUSSION

I. BACKGROUND

The Auto Theft Problem.—Automobile theft has become the nation's number one property crime problem. More than 1.6 million motor vehicles were reported stolen in 1991, an increase of 34% since 1986. The stolen automobiles were worth an estimated \$8-9 billion, representing over 50% of the value of property lost to crime.

H.R. 4542 is the result of an extensive investigation by the Subcommittee on Crime and Criminal Justice into the causes of, and the potential solutions to, this problem. The Subcommittee held an oversight hearing on auto theft on December 9, 1991. After this hearing, at which representatives of the law enforcement and insurance communities testified, Subcommittee Chairman Schumer and Subcommittee Ranking Republican Member Sensenbrenner introduced H.R. 4542. The Subcommittee then held a hearing on March 31, 1992, to consider the bill.

Those hearings established a clear need for federal legislation in this area. Auto theft has become a very large and lucrative business. The typical auto thief is no longer a teenager seeking a joy-ride. Now, auto theft is an industry peopled by professional criminals operating as part of profit-making enterprises.

According to the law enforcement officials who testified before the Subcommittee, automobile thieves turn stolen cars into money in three ways. The most common is to bring a car to a "chop shop," where it is dismantled and sold as replacement parts. Because a car's parts can be worth up to four times the value of the car, these shops generate enormous profits. Some repair shops unscrupulously fuel this illicit business by maintaining a willful ignorance about the source of the used parts they purchase.

A second technique for fencing stolen automobiles is to obtain an apparently valid, or "washed" title for the car, and then sell the car to an unsuspecting buyer. To acquire washed titles, thieves exploit a loophole in state motor vehicle titling systems: a state's inability to communicate quickly with other states. The scam works like this: A thief steals a car in State X, and forges a document purporting to be a title issued by State Y. He takes that document to State X's Department of Motor Vehicles, claims he just bought the car in State Y, and asks for a new title document. State X will issue the title, and then send the old title document to State Y for verification. By the time State Y receives the document, identifies it as fraudulent, and informs State X, the thief has long since sold the car to an unsuspecting third party.

The third, increasingly common, alternative for stolen car rings is to export the vehicles by ship for sale abroad. Virtually all goods shipped overseas are now transported in standard-sized containers. Once sealed, the contents of these containers are entirely hidden from U.S. Customs officials. Thieves take advantage of this by simply driving their contraband into containers, sealing the containers, and hauling them to the dock for shipment.

Enterprises using all three profiteering methods regularly engage in interstate, and even international, trafficking of automo-

biles and auto parts. Just as important, auto thieves have a severe and deleterious effect on interstate commerce by imposing significant costs on automobile owners. The most obvious cost is reflected in increasing high automobile insurance premiums. According to testimony at the March 31 hearing, as much as 64% of an automobile owner's comprehensive insurance premium is attributable to theft claims. In addition, car owners often must take expensive security measures—such as anti-theft devices and off-street parking—to protect their investment. These costs depress the interstate commerce in automobiles by making car ownership considerably more expensive for consumers.

In addition to economic costs, car owners are increasingly subject to violent crime. The most recent development in auto theft is "armed carjacking." In these incidents, two or three criminals approach a car waiting at a traffic light, or stopped by means of a deliberate "fender-bender" accident, and force the driver to turn over the keys at gunpoint. In a single week last year in Detroit, 74 cars were stolen in armed carjackings.

Current Enforcement Efforts.—Auto crime enforcement has been conducted primarily at the state and local level. There are significant barriers to enforcement, however, that have resulted in 49 out of 50 auto thieves escaping punishment. Cars are stolen so easily and dismantled so rapidly that police intervention at the point of theft is rare. Also, overburdened state and local law enforcement agencies are often unable to give auto theft the attention it deserves. Even when criminals are caught with a stolen car, it can be difficult to make a case in court for auto theft because the defendant can claim that he purchased the car without knowing that it had been stolen.

At the federal level, the Interstate Theft Unit of the FBI handles investigation into major auto theft enterprises. There are three federal crimes related to auto theft: interstate transportation of stolen vehicles (18 U.S.C. § 2312), possession or sale of a stolen vehicle that has moved interstate after the theft (18 U.S.C. § 2313), and possession or sale of a vehicle or a part of a vehicle knowing that its ID number has been removed (18 U.S.C. § 2321). Very few individuals, however, have actually been prosecuted for these offenses.

In addition, the Motor Vehicle Theft Law Enforcement Act of 1984 (15 U.S.C. §§ 2021-2034) requires auto manufacturers to mark an automobile's major parts (those parts most often sold stripped from stolen cars for resale) with the car's vehicle identification number (VIN). The requirement does not cover all car models, however, but only those with high theft rates. This has been a major impediment to effective implementation of the parts marking program. Law enforcement officers in the field often do not know which cars from which model years are supposed to be marked, and they cannot tell if a particular part in a suspected chop shop comes from a high-theft line or not. For these reasons, many law enforcement officials have found that the parts marking program is not as effective a tool as it might be.

II. BRIEF EXPLANATION

H.R. 4542 would enable a greater contribution by federal law enforcement agencies by creating a new federal crime for armed carjacking, by establishing new forfeiture remedies against auto thieves, and by increasing the sentences for existing federal crimes related to auto theft. The bill would also bring to bear additional law enforcement resources on auto crime by providing federal matching funds for state and local anti car theft programs meeting certain requirements.

Even with additional resources, however, the auto theft problem demands creative solutions aimed at supplementing and increasing the effectiveness of traditional law enforcement. The key is to focus on the market in stolen cars and parts and to eliminate the financial incentive for stealing cars. H.R. 4542 offers a comprehensive plan for taking the profit out of auto theft by stopping the three profiteering methods.

One important step is to improve the parts marking program so that it can be used to abolish chop shops. Parts marking can be highly cost-effective: Auto manufacturers estimate that the current program costs approximately \$6 per car, while the FBI puts the expense at about \$3 per car). These costs would be more than offset by savings in insurance premiums and theft losses. The per-car cost of the program would not change significantly under H.R. 4542.

What would change is that all cars, including light trucks, passenger vans, and multi-purpose vehicles, would be marked. According to the testimony of law enforcement officials at the Subcommittee hearings, this would greatly improve the effectiveness of parts marking. The bill would also enlist the aid of repair shops in the fight against auto theft, by requiring them to check the identification numbers of replacement parts—other than those purchased directly from a manufacturer or pre-cleared by an insurance carrier—against a stolen-car database maintained by the FBI.

The bill would address title washing by establishing a National Motor Vehicle Information System (NMVIS) that would provide an electronic switching system linking state Departments of Motor Vehicles. The NMVIS, modelled on the Commercial Drivers License Information System created by the Congress in 1986, would enable a state Department of Motor Vehicles to check the validity of an out-of-state title before issuing a new title. The system would also be available to law enforcement, prospective purchasers, and insurance carriers seeking to verify the validity of title documents; however, privacy restrictions would strictly limit the information available through the system. The sanction for states which fail to participate in the NMVIS would be reduction of highway funds.

Finally, H.R. 4542 would tighten Customs Service enforcement against stolen car exporters. Currently, a person or entity exporting a used vehicle must report that vehicle's identification number to Customs three days prior to shipment; Customs then checks the ID number against the FBI's stolen-car database. The requirement is waived, however, for exporters who claim the vehicle is for "personal use." H.R. 4542 would close this loophole for cars shipped by sea. It would direct Customs to conduct spot checks of automobiles and containers destined for shipment to ensure that the reported

identification numbers in fact match the numbers on the vehicles being shipped. The bill also provides for a study of the utility of nondestructive examination systems in inspecting containers.

H.R. 4542's comprehensive approach, designed to eliminate the profit incentive that fuels auto theft, has gained widespread support in the law enforcement, insurance, and consumer communities. At the Subcommittee hearings, representatives of the following organizations testified in support of the bill: the International Association of Chiefs of Police, the International Association of Auto Theft Investigators, the Consumer Federation of America, the National Insurance Crime Bureau, the American Insurance Association, and Association of American Motor Vehicle Administrators.

COMMITTEE ACTION

The Subcommittee on Crime and Criminal Justice met on May 21, 1992, to consider H.R. 4542. Chairman Schumer offered an amendment in the nature of a substitute to the bill. A reporting quorum being present, the Subcommittee adopted the amendment by unanimous consent, then, by voice vote, approved H.R. 4542 as amended and reported to the full Judiciary Committee with a favorable recommendation.

On July 28, 1992, the Committee on the Judiciary met to consider H.R. 4542. A reporting quorum being present, the Committee adopted by unanimous consent an amendment offered by Mr. Edwards to clarify the role of the Department of Justice in establishing the National Stolen Automobile Parts Information System. The Committee then agreed by voice vote to motions to approve the bill as amended and to report it to the House with a recommendation that it do pass.

SECTION-BY-SECTION ANALYSIS

TITLE I—TOUGHER LAW ENFORCEMENT AGAINST AUTO THEFT

Subtitle A—Enhanced Penalties for Auto Theft

Section 101.—This Section creates a new federal offense for armed carjacking, punishable by imprisonment for up to 15 years. The definition of the offense tracks the language used in other federal robbery statutes (18 U.S.C. §§ 2111, 2113 and 2118). The offender must possess a firearm during the crime, and the stolen automobile must have moved in interstate commerce.

Section 102.—This Section raises the maximum penalty for importing or exporting stolen vehicles from 5 to 10 years.

Section 103.—This Section raises the maximum penalties for interstate transportation of stolen vehicles and for possession or sale of a stolen vehicle that has moved interstate after the theft from 5 to 10 years.

Section 104.—This Section provides for civil and criminal forfeiture sanctions against persons convicted of altering or removing a motor vehicle identification number, exporting or importing a stolen automobile, armed carjacking, transporting a stolen vehicle interstate, or possessing or selling a stolen vehicle that has moved

interstate after the theft. Property that represents or is traceable to the gross proceeds of the crime would be subject to forfeiture.

Subtitle B—Targeted Law Enforcement

Sections 130-133.—This Subtitle establishes a grant program for state and local Anti Car Theft Committees. The Committees must be government agencies, and they must be funded in part by a per-vehicle tax or fee that is at least \$1 per vehicle. In addition, the Committees must be devoted exclusively to auto theft enforcement, such as financing of prosecutors or law enforcement officers whose duties are entirely or primarily related to auto theft. This program is modelled on a program implemented by the State of Michigan that has been remarkably successful: From 1985 to 1989, while auto theft nationwide was increasing by 42%, thefts in Michigan actually decreased by 13%.

The Director of the Bureau of Justice Assistance would be required to make grants of any funds appropriated for this program to qualifying committees, which would be entitled to a fixed distribution determined by formula. Each qualifying Committee would receive a share of the authorized funding proportional to the number of cars under its jurisdiction. The grant program is authorized at \$10 million in each of fiscal years 1993, 1994, and 1995.

TITLE II—AUTOMOBILE TITLE FRAUD

This Title establishes would address title washing by establishing a National Motor Vehicle Information System (NMVIS) that would provide an electronic switching system enabling States and certain others to gain instant access to title information maintained by other States. The NMVIS, modelled on the commercial Drivers License Information System created by the Congress in 1986, would enable a state Department of Motor Vehicles to check the validity of an out-of-state title before issuing a new title. The system would also be open to law enforcement, prospective purchasers, and insurance carriers seeking to verify the validity of title documents; however, privacy restrictions would strictly limit the information available through the system.

Section 201.—This Section defines the terms used in this Title.

Section 202.—This Section requires the Secretary of Transportation to establish by January 1, 1996, an information system which will enable states, prospective purchasers, and insurance carriers to gain instant access to information maintained by other states pertaining to the titling of automobiles. Law enforcement officials can also gain such access with regard to automobiles, as well as salvage yards or junk yards. This Section enumerates certain minimum functional capabilities of this system, and provides that operating costs for the system shall be paid for by user fees.

The Section further provides that the Secretary may provide for the operation of the system through a contract or agreement with a State or States, or with a third party which represents the interests of the States. One such third party is the Association of American Motor Vehicle Administrators (AAMVA), which operates CDLIS. At the hearing before the Subcommittee on H.R. 4542, a representative of AAMVA testified that AAMVA would be capable

of operating the NMVIS as well. Testimony before the Subcommittee also indicated that the most efficient design for NMVIS would be an electronic switching system that would direct queries from one participating state to the database of another particular state; the Secretary, however, is given discretion to determine the best design for the system.

This Section also specifically prohibits the NMVIS from collecting Social Security Numbers or from releasing any information other than what is necessary to satisfy the "minimum functional capabilities" requirements. So, for example, in no event can users of NMVIS obtain an individual's address through that system.

Section 203.—This Section imposes two requirements on states which elect to participate in the system: A participating state must make the titling information it maintains available to the NMVIS, and it must agree to use the NMVIS to confirm the validity of an out-of-state title before relying upon such a title to issue a new title.

This Section also provides for grants to assist states in making their titling information available to NMVIS. The Secretary of Transportation is directed to conduct a survey of state title information systems to determine the cost to each state of improving its system to make it compatible with the NMVIS. The grants may fund up to 25% of this cost, with an overriding limit of \$300,000 per state, upon the Secretary's determination that such a grant is fair, reasonable, and necessary for the establishment of the system.

This Section further provides that states which do not elect to participate in the NMVIS will lose a portion of federal highway funds otherwise due to them. A state will lose 5% of its highway funds in its first year of nonparticipation, and thereafter it will lose 10% of the funds otherwise due to them, although states may reclaim some of those funds under certain circumstances if they later elect to participate. These sanction provisions are modelled on the CDLIS statute.

Section 204.—This Section requires junk yards, salvage yards, and insurance companies to file monthly reports with the NMVIS. Junk yards and salvage yards would report the vehicle identification numbers of cars they have received, and insurance companies would report the vehicle identification number of cars they have acquired and sold as junk. Junk yards and salvage yards in states where such information is already required to be reported to the department of motor vehicles will be exempt from this requirement. The purpose of these reports is to enable a state checking the validity of a title through NMVIS to know whether the vehicle being titled was at one point considered a junk or salvage automobile.

A civil penalty of up to \$1,000 could be assessed by the Secretary of Transportation for each violation of this Section. The size of the business and the gravity of the violation are to be taken into account in determining any penalty, and the Secretary is given discretionary authority to compromise any total assessment. Any penalty assessed under this Section could be deducted from any amount owed to the violator by the United States.

Section 205.—This Section would authorize \$7 million in each of fiscal years 1993, 1994, and 1995 to fund the start-up costs of NMVIS, including the grants to states.

TITLE III—ILLICIT TRAFFICKING IN STOLEN AUTO PARTS

This Title replaces Title VI of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. §§ 2021-2034). The existing statute requires that the major parts of certain high-risk automobiles be marked with identification numbers. This Title expands the existing program to cover all automobiles, including light trucks, passenger vans, and multi-purpose vehicles. It also requires automobiles repair shops to use those markings to avoid trafficking in stolen parts.

Section 301.—This Section replaces Title VI of the Motor Vehicle Information and Cost Savings Act with new sections 601-611, as follows:

Section 601.—This Section defines certain terms used in this Title. The term “automobile” is defined to include passenger automobiles, light trucks, and multi-purpose vehicles. The term “major part” is defined by listing specific parts (there are 21 listed parts in a four-door automobile). The list of major parts is identical to the list in the existing statute, except for the addition of windows.

Section 602.—This Section directs the Secretary of Transportation to promulgate a theft prevention standard requiring the marking of automobile parts. Motor vehicle manufacturers will be required to inscribe each automobile’s vehicle identification number (VIN) on the automobile’s engine, frame, transmission, and windows; they will be required to mark other major parts with a label bearing the VIN and meeting certain security standards. Manufacturers of replacement parts will be required to mark such parts with a secure label identifying the part as a replacement part. Manufacturers will have a full model year from the date the standard goes into effect in which to adjust to its requirements.

Section 603.—This section provides that the marking or labeling requirement for parts other than engine blocks, frames, and transmissions may not impose on manufacturers a cost in excess of \$15 per automobile. This \$15 limit is contained in the existing statute. The cost of identifying engine blocks, frames, and transmissions cannot be taken into account in making this cost calculation.

Section 604.—This Section authorizes the Secretary of Transportation to inspect manufacturing facilities and to require manufacturers to keep records as necessary to ensure compliance with the theft prevention standard. Every manufacturer of an automobile or major replacement part must certify at the time of delivery that its product conforms to the applicable standard. However, this certification requirement does not apply to exports.

Section 605.—This Section prohibits the manufacture, sale, or introduction into commerce of automobiles or automobile parts that do not meet the requirements of the theft preven-

tion standard. The prohibition has two exceptions: people who, despite their exercise of due care, do not have reason to know that a particular automobile or automobile part does not meet the requirements of the standard; final stage manufacturers of specialty vehicles, persons who modify completed automobiles by outfitting them with cargo-carrying, property-carrying, or work-performing equipment, or persons who rebuilt autos entirely from used parts. The Department of Transportation has found that the manufacturers, modifiers, and rebuilders of these types of vehicles are often properly exempted from regulations that apply generally to automobile manufacturers. The Committee believes that they are properly exempted here as well, and the Committee intends these exemptions to be interpreted in accordance with the appropriate Department of Transportation regulations.

This Section also requires that anyone selling or installing a part marked with an identification number must, through a procedure to be established by the Attorney General under Section 302 of this Act, first determine that the part has not been reported as stolen. This requirement will not apply to the manufacturer of the part, to anyone who has purchased the part directly from the manufacturer, or to anyone who has been informed by an insurance carrier that the part has not been reported as stolen.

This Section also prohibits failure to comply with any of the rules promulgated under this Title.

Section 606.—This Section establishes three tiers of civil penalties for violations of Section 605; up to \$1,000 for the first violation; \$3,000 to \$5,000 for the second violation; and \$7,000 to \$25,000 for third of subsequent violations. The size of the business and the gravity of the violation are to be taken into account in determining any penalty under this Section, and the Secretary of Transportation is given discretionary authority to compromise any total assessment. Any penalty assessed under this Section could be deducted from any amount owed to the violator by the United States.

Section 607.—This Section provides that all trade secret information furnished to or otherwise obtained by the Secretary of Transportation pursuant to this Title shall be confidential. However, such information may be disclosed to those carrying out this title or, where relevant, in any proceeding under the title. And, the Department may not withhold such information from any committee or subcommittee of Congress.

Section 608.—This Section authorizes judicial review of regulations promulgated under this Title.

Section 609.—This Section declares that state or local law inconsistent with this Title shall be preempted.

Section 610.—This Section authorizes the Secretary of Transportation to promulgate regulations concerning voluntary parts marking of cars manufactured before the effective date of the theft prevention standard. The regulations would enable such voluntarily marked automobiles to be covered by the federal statute prohibiting the removal of required vehicle identification numbers.

Section 611.—This Section directs the Secretary of Transportation to submit to Congress, within six years of the enactment of this Act, a report on the efficacy of the parts marking program and of the other provisions of the Act.

Section 302.—This Section directs the Attorney General to establish a National Stolen Auto Part Information System (NSAPIS). The NSAPIS is to be maintained within the National Crime Information Center (NCIC), which already has files on stolen vehicles and stolen parts, unless the Attorney General determines that the NCIC is unsuitable for this purpose. The NSAPIS will contain information about reports of stolen automobiles and stolen automobile parts. The information in it will be made available, under procedures specified by the Attorney General, so that automobile repair shops, insurance carriers, and other individuals or entities dealing in automobile repair parts can determine whether an automobile or an automobile part with a particular Vehicle Identification Number has been reported to law enforcement authorities as stolen.

Such sums as are necessary to carry out this section are authorized to be appropriated.

TITLE IV—EXPORT OF STOLEN CARS

Section 401.—This Section contains two provisions intended to tighten Customs Service enforcement against stolen car exporters. Existing Customs regulations require a person or entity exporting a used vehicle to report that vehicle's VIN to Customs three days prior to shipment; Customs then checks the VIN against the NCIC database. The requirement is waived, however, for exporters who claim the vehicle is for "personal use." This Section codifies the Customs reporting requirement, eliminates the personal-use loophole for cars shipped by sea, and directs the Customs Service to check all reported VINs against the information in the NCIC. Customs will also be required to provide all reported VINs to the FBI upon request. This Section further directs Customs to conduct spot checks of automobiles and containers destined for shipment, to ensure that reported VINs in fact match the VINs on vehicles being shipped.

Section 402.—This Section mandates a study by the Secretary of Treasury of the utility of nondestructive examination systems in preventing the export of stolen vehicles.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

COMMITTEE ON GOVERNMENT OPERATIONS OVERSIGHT FINDINGS

No findings or recommendations of the Committee on Government Operations were received as referred to in clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 2(1)(3)(B) of House rule XI is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill H.R. 4542, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 30, 1992.

Hon. JACK BROOKS,
*Chairman, Committee on the Judiciary,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 4542, the Anti Car Theft Act of 1992.

Enactment of H.R. 4542 could affect receipts and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985. As a result, the estimate required under clause 8 of House Rule XXI also is attached.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 4542.
2. Bill title: Anti Car Theft Act of 1992.
3. Bill status: As ordered reported by the House Committee on the Judiciary on July 28, 1992.
4. Bill purpose: H.R. 4542 would establish several programs and make revisions to current law to prevent and deter auto theft.
5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1993	1994	1995	1996	1997
Specified authorization level.....	17	17	17		
Estimated authorization level.....	5	3	3	3	3
Total authorization level.....	22	20	20	3	3
Estimated outlays.....	11	17	20	13	7

In addition to the costs shown in the above table, H.R. 4542 would provide for new and enhanced penalties (including fines) for certain crimes, including armed robberies of motor vehicles, importation and exportation of stolen vehicles, and trafficking in stolen

vehicles. These fines could increase receipts, but CBO estimates that any such increase would be less than \$500,000 annually. The new and enhanced penalties also could result in additional costs to the extent that the Department of Justice would investigate and prosecute new federal crimes established by the bill. CBO cannot estimate the amount of any such costs at this time.

The bill also would require the U.S. Customs Service to check the vehicle identification numbers of used automobiles being exported to determine if the automobiles were stolen. At this time, CBO cannot estimate at this time the amount of the costs to the Customs Service.

The costs of this bill fall within budget functions 400 and 750.

Basis of estimate: Title I of the bill would direct the Director of the Bureau of Justice Assistance to make grants to Anti Car Theft Committees, which are state or local government agencies devoted to combating motor vehicle theft. The bill would authorize appropriations of \$10 million in each of fiscal years 1993 through 1995 to carry out this provision.

Title II would require the Secretary of Transportation, in cooperation with the states, to establish a national motor vehicle title information system. The Secretary would be authorized to designate a contractor who would operate this system and collect fees to cover the cost. States would be required to participate in this system, by making titling information available to the operator of the system and conducting title verification checks, or face reductions in their apportionments of federal grants under the federal-aid highways program. The bill would authorize the Secretary to make grants to participating states to cover part of the cost of providing the required information. The bill would authorize \$7 million for each of fiscal years 1993 through 1995 to carry out these provisions.

Title III of H.R. 4542 would direct the Attorney General to enter into an agreement with an entity to operate a system to provide insurance carriers and automobile repair businesses with information on stolen automobiles and automobile parts. The Attorney General would enter into such an agreement only if it is determined that the Federal Bureau of Investigation's National Crime Information Center (NCIC) would be unable to operate such a system. Title III would authorize such sums as necessary to be appropriated to carry out this provision. Based on conversations with the Federal Bureau of Investigation and a potential operator of the proposed information system, we have assumed that NCIC would be unable to operate such a system. We estimate that the costs for an entity to operate the system would be no more than \$5 million in fiscal year 1993 and no more than \$3 million per year thereafter.

Title IV of the bill would require all entities exporting used automobiles by air or ship to provide to the Customs Service the vehicle identification number and proof of ownership of each such automobile. The Customs Service would have to check all vehicle identification numbers provided against the information in the NCIC to determine whether any automobile intended for export has been reported stolen. CBO cannot estimate the amount of the costs to the Customs Service.

In addition, H.R. 4542 contains several other provisions that would result in costs to the federal government. We estimate that the net effect of these provisions would be less than \$500,000 annually.

This estimate assumes that the Congress will appropriate the full amounts authorized for each fiscal year. Outlay estimates are based on historical spending patterns for programs similar to those authorized by this bill.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. H.R. 4542 contains provisions that provide for new and enhanced penalties for certain crimes, which could result in additional receipts to the federal government. We estimate that any additional receipts would be less than \$500,000 per year.

7. Estimated cost to state and local governments: The grant program in Title I for Anti Car Theft Committees would require grantees to provide at least 50 percent of the costs of such committees. These costs could reach \$10 million per year in fiscal years 1993 through 1995, but the additional costs would probably be somewhat less because some states already have established anti car theft committees.

States would incur costs as a result of the requirement that they participate in the national motor vehicle title information system or lose part of their federal highway construction funds. Based on information provided by the American Association of Motor Vehicle Administrators, we estimate that the total cost to states to initiate such a system would be about \$40 million. These costs would be incurred primarily in 1994 and 1995. This estimate assumes that the average state cost would be about \$800,000, but the cost in some states would be much higher. H.R. 4542 would authorize grants to states to pay for some of these costs, but the amount of the grant for each state would be limited to the lesser of 25 percent of the cost for that state or \$300,000. Once this system is established, the bill provides that operating costs could be reimbursed through user fees charged by the operator of the system.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Marge Miller and Mark Grabowicz (226-2860), and John Stell (226-2720).

11. Estimate approved by: Paul Van de Water for C.G. Nuckols, Assistant Director for Budget Analysis).

CONGRESSIONAL BUDGET OFFICE ESTIMATE ¹

The applicable cost estimate of this act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995
Change in outlays	2	2	2	2
Change in receipts	0	0	0	0

¹ An estimate of H.R. 4542 as ordered reported by the House Committee on the Judiciary on July 28, 1992. This estimate was transmitted by the Congressional Budget Office on July 30, 1992.

² Not applicable.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that H.R. 4542 will have no significant inflationary impact on prices and costs in the national economy.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 18, UNITED STATES CODE

* * * * *

PART I—CRIMES

* * * * *

CHAPTER 27—CUSTOMS

* * * * *

§ 553. Importation or exportation of stolen motor vehicles, off-highway mobile equipment, vessels, or aircraft

(a) Whoever knowingly imports, exports, or attempts to import or export—

(1) * * *

* * * * *

shall be [fined not more than \$15,000 or imprisoned not more than five years], *fined under this title or imprisoned not more than 10 years, or both*

* * * * *

CHAPTER 46—FORFEITURE

* * * * *

§ 981. Civil forfeiture

(a)(1) Except as provided in paragraph (2), the following property is subject to forfeiture to the United States:

(A) * * *

* * * * *

(F) Any property, real or personal, which represents or is traceable to the gross proceeds obtained, directly or indirectly, from a violation of—

(i) section 511 (altering or removing motor vehicle identification numbers);

(ii) section 553 (importing or exporting stolen motor vehicles);

(iii) section 2119 (armed robbery of automobiles);

(iv) section 2132 (transporting stolen motor vehicles in interstate commerce); or

(v) section 2313 (possessing or selling a stolen motor vehicle that has moved in interstate commerce).

* * * * *

§ 982. Criminal forfeiture

(a)(1) * * *

* * * * *

(5) The court, in imposing sentence on a person convicted of a violation or conspiracy to violate—

(A) section 511 (altering or removing motor vehicle identification numbers);

(B) section 553 (importing or exporting stolen motor vehicles);

(C) section 2119 (armed robbery of automobiles);

(D) section 2132 (transporting stolen motor vehicles in interstate commerce); or

(E) section 2313 (possessing or selling a stolen motor vehicle that has moved in interstate commerce);

shall order that the person forfeit to the United States any property, real or personal, which represents or is traceable to the gross proceeds obtained, directly or indirectly, as a result of such violation.

* * * * *

CHAPTER 103—ROBBERY AND BURGLARY

Sec.

2111. Special maritime and territorial jurisdiction.

* * * * *

2119. Motor vehicles.

* * * * *

§ 2119. Motor vehicles

Whoever, possessing a firearm as defined in section 921 of this title, takes a motor vehicle that has been transported, shipped, or received in interstate or foreign commerce from the person or presence of another by force and violence or by intimidation, or attempts

to do so, shall be fined under this title or imprisoned not more than 15 years, or both.

* * * * *

CHAPTER 113—STOLEN PROPERTY

* * * * *

§ 2312. Transportation of stolen vehicles

Whoever transports in interstate or foreign commerce a motor vehicle or aircraft, knowing the same to have been stolen, shall be **[fined not more than \$5,000 or imprisoned not more than five years]** *fined under this title or imprisoned not more than 10 years, or both.*

§ 2313. Sale or receipt of stolen vehicles

(a) Whoever receives, possesses, conceals, stores, barter, sells, or disposes of any motor vehicle or aircraft, which has crossed a State or United States boundary after being stolen, knowing the same to have been stolen, shall be **[fined not more than \$5,000 or imprisoned not more than five years]** *fined under this title or imprisoned not more than 10 years, or both.*

* * * * *

TITLE VI OF THE MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT

[TITLE VI—THEFT PREVENTION

[DEFINITIONS

[SEC. 601. For purposes of this title:

[(1) The term “passenger motor vehicle” does not include any multipurpose passenger vehicle (including any vehicle commonly known as a “passenger van”).

[(2) The term “line” means a name which a manufacturer applies to a group of motor vehicle models of the same make which have the same body or chassis, or otherwise are similar in construction or design.

[(3) The term “existing line” means any line introduced into commerce before the beginning of the 2-year period specified in section 603(a)(1)(A).

[(4) The term “new line” means any line introduced into commerce on or after the beginning of the 2-year period specified in section 603(a)(1)(A).

[(5) The term “first purchaser” means first purchaser for purposes other than resale.

[(6) The term “covered major part” means any major part selected in accordance with sections 602(d)(1)(B) and 603 for coverage by the vehicle theft prevention standard issued under section 602.

[(7) The term “major part” means—

[(A) the engine;

- [(B) the transmission;
- [(C) each door allowing entrance or egress to the passenger compartment;
- [(D) the hood;
- [(E) the grille;
- [(F) each bumper;
- [(G) each front fender;
- [(H) the deck lid, tailgate, or hatchback (whichever is present);
- [(I) rear quarter panels;
- [(J) the trunk floor pan;
- [(K) the frame or, in the case of a unitized body, the supporting structure which serves as the frame; and
- [(L) any other part of a passenger motor vehicle which the Secretary, by rule, determines is comparable in design or function to any of the parts listed in subparagraphs (A) through (K).

[(8) The term "major replacement part" means any major part—

[(A) which is not installed in or on a motor vehicle at the time of its delivery to the first purchaser, and

[(B) the equitable or legal title to which has not been transferred to any first purchaser.

[(9) The term "model year" has the meaning given such term under section 501(12) of this Act.

[(10) The term "vehicle theft prevention standard" means a minimum performance standard for the identification of—

[(A) major parts of new motor vehicles, and

[(B) major replacement parts,

by inscribing or affixing numbers or symbols to such parts.

[(THEFT PREVENTION STANDARD

[(SEC. 602. (a) The Secretary shall by rule promulgate, in accordance with this section, a vehicle theft prevention standard which conforms to the requirements of this title and which applies with respect to—

[(1) the covered major parts which are installed by manufacturers into passenger motor vehicles in lines designated under section 603 as high theft lines; and

[(2) the major replacement parts for the major parts described in paragraph (1).

[(b) The standard under this section shall be practicable, and shall provide relevant objective criteria.

[(c)(1) Not later than 3 months after the date of the enactment of this title, the Secretary shall prescribe and publish a proposed vehicle theft prevention standard.

[(2) As soon as practicable after the 30th day following the publication of the proposed standard under paragraph (1), but not later than 6 months after such date of enactment, the Secretary shall promulgate a final rule establishing such a standard.

[(3) The Secretary may, for good cause, extend the 3-month and 6-month periods under paragraphs (1) and (2) if the Secretary pub-

lishes the reasons therefor. Either such period may not, in the aggregate, be extended by more than 5 months.

[(4) Such standard shall take effect not earlier than 6 months after the date such final rule is prescribed, except that the Secretary may prescribe an earlier effective date if the Secretary—

[(A) finds, for good cause shown, that the earlier date is in the public interest, and

[(B) publishes the reasons for such finding.

[(5) The standard may apply only with respect to—

[(A) major parts which are installed by the motor vehicle manufacturer in any passenger motor vehicle which has a model year designation later than the calendar year in which such standard takes effect, and

[(B) major replacement parts manufactured after such standard takes effect.

[(d)(1) In the case of major parts installed by the motor vehicle manufacturer, the standard under this section may not require—

[(A) any part to have more than a single identification, and

[(B) any motor vehicle to have identification of more than 14 of its major parts.

[(2) In the case of major replacement parts, the standard under this section may not require—

[(A) identification of any part which is not designed as a replacement for a major part required to be identified under such standard, and

[(B) the inscribing or affixing of any identification other than a symbol identifying the manufacturer and a common symbol identifying the part as a major replacement part.

[(e) Nothing in this title shall be construed to grant authority to require any person to keep records or make reports, except as expressly provided in sections 603(c), 605(b), 606(a), and 612.

DESIGNATION OF HIGH THEFT VEHICLE LINES AND PARTS

[SEC. 603. (a)(1) For purposes of the standard under section 602, the following motor vehicle lines are high theft lines:

[(A) passenger motor vehicles of any line which is determined under subsection (b) to have had a new passenger motor vehicle theft rate in the 2 calendar years immediately preceding the year in which the final standard is promulgated which exceeds the median theft rate for all new passenger motor vehicle thefts in such 2-year period;

[(B) passenger motor vehicles of any line initially introduced into commerce in the United States at any time after the beginning of the 2-year period specified in subparagraph (A) which is determined under paragraph (2) to be likely to have a theft rate exceeding such median theft rate; and

[(C) passenger motor vehicles of any line which is below the median theft rate (in the case of existing lines) or which is likely to be below the median theft rate (in the case of new lines) if the major parts contained in such vehicles are determined under paragraph (2) to be interchangeable with the majority of the major parts which are subject to the standard and which are contained in the motor vehicles of a line subject to

the standard pursuant to subparagraph (A) or (B); except that such standard shall not apply to such major parts of any line specified by this paragraph if all the passenger motor vehicles of lines—

[(i) which are or are likely to be below the median theft rate, and

[(ii) which contain parts which are interchangeable with the major parts of the line involved, account (in the case of existing lines) or the Secretary determines are likely to account (in the case of new lines) for more than 90 percent of the total annual production of all lines of that manufacturer which contain those interchangeable parts.

[(2) The specific lines, and the major parts of the vehicles within such lines, which are to be subject to the standard may be selected by agreement between that manufacturer and the Secretary. If the manufacturer and the Secretary disagree as to such selection, the Secretary shall select such lines and parts, after notice to the manufacturer and opportunity for written comment, and subject to the confidentiality requirements of this title.

[(3) Notwithstanding paragraph (1), of those passenger motor vehicle lines initially introduced by a manufacturer into commerce in the United States before the effective date of the standard, no more than 14 of the lines of any manufacturer shall be selected as high theft lines under paragraph (1) (A) and (B). Any such selection shall be made under paragraph (2) within one year after the date of the enactment of the Motor Vehicle Theft Law Enforcement Act of 1984.

[(4) The Secretary shall prescribe reasonable procedures designed to assure that, to the maximum extent practicable, any selection under paragraph (2) or (3) is made at least 6 months before the first applicable model year beginning after such selection.

[(5) A manufacturer shall not be required to begin to comply with the standard pursuant to any selection made under paragraph (2) or (3) for a model year beginning earlier than 6 months after the date of selection.

[(b)(1) For purposes of subsection (a), the theft rate for passenger motor vehicles of a line shall be determined by a fraction, the numerator of which is the number of new passenger motor vehicle thefts for that line during the 2 calendar years specified in subsection (a)(1)(A), and the denominator of which is the sum of the respective production volumes of all passenger motor vehicles of that line (as reported to the Environmental Protection Agency under title V of this Act) which are of the 2 model years having the same model-year designations as the 2 calendar years specified in subsection (a)(1)(A) and which are distributed for sale in commerce within the United States.

[(2) For purposes of subsection (a), the median theft rate for all new passenger motor vehicle thefts during such 2-year period is that theft rate midway between the highest and the lowest theft rates determined under paragraph (1). If there is an even number of theft rates determined under paragraph (1), the median theft rate is the arithmetic average of the two adjoining theft rates midway between the highest and the lowest of such theft rates.

[(3) Immediately upon enactment of this title, and periodically thereafter, the Secretary, in consultation with the Director of the Federal Bureau of Investigation, shall obtain from the most reliable source or sources accurate and timely theft and recovery data and publish such data for review and comment. To the greatest extent possible, the Secretary shall utilize theft data reported by Federal, State, or local police. After such publication and opportunity for comment, the Secretary shall utilize the theft data to determine the median theft rate under this subsection. The Secretary and such Director shall take such actions as may be necessary to improve the accuracy, reliability, and timeliness of such data, including ensuring that vehicles represented as stolen are in fact stolen.

[(4) In calculating the median theft rate, the Secretary shall take into account the theft rate of lines which are exempted by reason of the 14-line limitation in subsection (a)(3).

[(5) As used in this section, the term "new passenger motor vehicle thefts", when used with respect to any calendar year, refers to those thefts in the United States in such year which are of passenger motor vehicles with the same model-year designation as that calendar year.

[(c) The Secretary shall, by rule, require each manufacturer to provide information necessary to select pursuant to subsection (a)(2) the high theft lines and the major parts to be subject to the standard.

[(d) Except as provided in section 605, the Secretary may not render the standard inapplicable to any line which at any time has been subject to the standard.

[(COST LIMITATION

[(SEC. 604. (a) The standard under section 602 may not—

[(1) impose costs upon any manufacturer of motor vehicles to comply with such standard in excess of \$15 per motor vehicle, or

[(2) impose costs upon any manufacturer of major replacement parts to comply with such standard in excess of such reasonable lesser amount per major replacement part as the Secretary specifies in such standard.

[(b) In the case of any manufacturer engaged in identifying engines or transmissions on the effective date of this title in a manner which substantially complies with the requirements of the theft prevention standard promulgated under section 602—

[(1) the costs of identifying engines and transmissions shall not be taken into account in calculating such manufacturer's costs under subsection (a); and

[(2) the manufacturer shall not be required, pursuant to the standard or any subsequent modification, to conform to any identification system for engines and transmissions which imposes greater costs on the manufacturer than are incurred under the identification system used by the manufacturer on such effective date.

[(c)(1) At the beginning of each calendar year commencing on or after January 1, 1985, as there becomes available necessary data

from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Secretary and publish in the Federal Register the percentage difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Effective for model years beginning in such calendar year, the amounts specified under subsections (a) (1) and (2) shall be adjusted by such percentage difference.

[(2) For purposes of paragraph (1)—

[(A) The term “base period” means calendar year 1984.

[(B) The term “price index” means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

[EXEMPTION FOR VEHICLES EQUIPPED WITH ANTITHEFT DEVICES

[SEC. 605. (a)(1) Any manufacturer may petition the Secretary for an exemption from the application of any of the requirements of the vehicle theft prevention standard under section 602 for any line or lines of passenger motor vehicles which are equipped as standard equipment with an antitheft device which the Secretary determines is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the requirements of such standard.

[(2) For the initial model year to which such standard applies, the Secretary may not grant an exemption for more than 2 lines of any manufacturer. For each subsequent model year, the Secretary may grant exemption for not more than 2 additional lines of any manufacturer, and such exemption shall not affect the validity of the exemption of any line previously exempted under this paragraph.

[(3) For purposes of paragraph (1), the term “standard equipment” means equipment which is installed in a vehicle at the time it is delivered from the manufacturer and which is not an accessory or other item which the first purchaser customarily has the option to have installed.

[(b) Any such petition shall be filed with the Secretary not later than 8 months before the commencement of production for the first model year covered by the petition. Such petition shall include—

[(1) a detailed description of such device,

[(2) the reasons for the manufacturer’s conclusion that such device will be effective in reducing and deterring theft of motor vehicles, and

[(3) such additional information as the Secretary determines may be reasonably required to make the determination specified in subsection (a)(1).

[(c) Such determination shall be made, based upon substantial evidence, within 120 days after the date of filing of such petition. The Secretary may approve such petition in whole or in part. If the Secretary fails to make such determination within such time period, the petition shall be considered approved, and the manufacturer shall be exempt from the application of such standard for the subsequent model year.

[(d) Nothing in this section shall preclude the Secretary from rescinding any such exemption for any model year after the model year in which such rescission occurs if the Secretary determines that such device has not been as effective in reducing and deterring motor vehicle theft as compliance with the requirements of the standard under section 602, except that such rescission shall not be effective until at least 6 months after the manufacturer receives written notice from the Secretary of such rescission.

[(e) As used in this section, the term "antitheft device" means a device to reduce or deter theft which is in addition to the theft-deterrent devices required by Federal motor vehicle safety standard numbered 114 (49 CFR 571.114) which the manufacturer believes will be effective in reducing or deterring theft of motor vehicles, and which does not utilize any signaling device which is reserved by a provision of any State law for use on police, emergency, or official vehicles, or on school buses.

【DETERMINATION OF COMPLIANCE OF MANUFACTURER

【SEC. 606. (a) Every manufacturer of any motor vehicle any part of which is subject to the standard under section 602, and any manufacturer of major replacement parts subject to such standard, shall—

【(1) establish and maintain such records, make such reports, and provide such items and information as the Secretary may reasonably require to enable the Secretary to determine whether such manufacturer has acted or is acting in compliance with this title and such standard, and

【(2) upon request of an officer or employee duly designated by the Secretary, permit such officer or employee to inspect (A) vehicles and major parts which are subject to such standard, and (B) appropriate books, papers, records, and documents relevant to determining whether such manufacturer has acted or is acting in compliance with this title and any motor vehicle theft prevention standard promulgated pursuant to this title; such manufacturer shall make available all such items and information in accordance with such reasonable rules as the Secretary may prescribe.

【(b) For purposes of enforcing this title, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, may enter and inspect any facility in which motor vehicles containing major parts subject to such standard, or major replacement parts subject to such standard, are manufactured, held for introduction into interstate commerce, or are held for sale after such introduction. Each such inspection shall be conducted at reasonable times and in a reasonable manner and shall be commenced and completed with reasonable promptness.

【(c)(1) Every manufacturer of a motor vehicle subject to the standard promulgated under section 602, and every manufacturer of any major replacement part subject to such standard, shall furnish at the time of delivery of such vehicle or part a certification that such vehicle or replacement part conforms to the applicable motor vehicle theft prevention standard. Such certification shall

accompany such vehicle or replacement part until delivery to the first purchaser. The Secretary may issue rules prescribing the manner and form of such certification.

[(2) Paragraph (1) shall not apply to any motor vehicle or major replacement part—

[(A) which is intended solely for export,

[(B) which is so labeled or tagged on the vehicle or replacement part itself and on the outside of the container, if any, until exported, and

[(C) which is exported.

[(d) If a manufacturer obtains knowledge that (1) the identification applied, to conform to the standard under section 602, to any major part installed by the manufacturer in a motor vehicle during its assembly, or to any major replacement part manufactured by the manufacturer, contains an error, and (2) such motor vehicle or major replacement part has been distributed in interstate commerce, the manufacturer shall furnish notification of such error to the Secretary.

[PROHIBITED ACTS

[SEC. 607. (a) No person shall—

[(1) manufacture for sale, sell, offer for sale, or introduce or deliver for introduction in interstate commerce, or import into the United States—

[(A) any motor vehicle subject to the standard under section 602, or

[(B) any major replacement part subject to such standard,

which is manufactured on or after the date the standard under section 602 takes effect under this title for such vehicle or major replacement part unless it is in conformity with such standard;

[(2) fail to comply with any rule prescribed by the Secretary under this title;

[(3) fail to keep specified records or refuse access to or copying of records, or fail to make reports or provide items or information, or fail or refuse to permit entry or inspection, as required by this title; or

[(4) fail to—

[(A) furnish certification required by section 606(c), or

[(B) issue a certification required by section 606(c) if such person knows, or in the exercise of due care has reason to know, that such certification is false or misleading in a material respect.

[(b) Subsection (a)(1) shall not apply to any person who establishes that he did not have reason to know in the exercise of due care that the vehicle or major replacement part is not in conformity with an applicable theft prevention standard.

[ENFORCEMENT PROVISIONS

[SEC. 608. (a)(1) Whoever violates section 607(a) may be assessed a civil penalty of not to exceed \$1,000 for each violation. The failure of more than one part of a single motor vehicle to conform to

an applicable motor vehicle theft prevention standard shall constitute only a single violation.

[(2) Any such penalty shall be assessed by the Secretary and collected in a civil action brought by the Attorney General of the United States. Any such civil penalty may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered.

[(3) The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the United States to the person charged.

[(4) The maximum civil penalty shall not exceed \$250,000 for any related series of violations.

[(b)(1) Upon petition by the Attorney General on behalf of the United States, the United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of this title, or to restrain the sale, offer for sale, or the introduction or delivery for introduction in interstate commerce, or the importation into the United States, of—

[(A) any passenger motor vehicle containing a major part,
or

[(B) any major replacement part,
which is subject to the standard under section 602 and is determined, before the sale of such vehicle or such major replacement part to a first purchaser, not to conform to such standard. Whenever practicable, the Secretary shall give notice to any person against whom an action for injunctive relief is contemplated and afford the person an opportunity to present his views, and except in the case of a knowing and willful violation, shall afford the person reasonable opportunity to achieve compliance. The failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

[(2) In any proceeding for criminal contempt for violation of an injunction or restraining order issued under this subsection, which violation also constitutes a violation of this title, trial shall be by the court, or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

[(3) Actions under paragraph (1) and under subsection (a) may be brought in the district wherein any act or transaction constituting the violation occurred, or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district in which the defendant is an inhabitant or wherever the defendant may be found.

[(4) In any actions brought under paragraph (1) and under subsection (a), subpoenas for witnesses who are required to attend a United States district court may run into any other district.

【CONFIDENTIALITY OF INFORMATION

【SEC. 609. All information reported to, or otherwise obtained by, the Secretary or the Secretary's representative under this title which contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, or in section 552(b)(4) of title 5, United States Code, shall be considered confidential for the purpose of the applicable section of this title, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title (other than a proceeding under section 603(a) (2) or (3) of this title). Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under the Secretary's control from any committee of the Congress.

【JUDICIAL REVIEW

【SEC. 610. Any person who may be adversely affected by any provision of any standard or other rule under this title may obtain judicial review of such standard or rule in accordance with section 504. Nothing in this section shall preclude the availability to any person of other remedies provided by law in the case of any standard, rule, or other action under this title.

【COORDINATION WITH STATE AND LOCAL LAW

【SEC. 611. Whenever a vehicle theft prevention standard established under section 602 is in effect, no State or political subdivision of a State shall have any authority either to establish, or to continue in effect, with respect to any motor vehicle, or major replacement part, any vehicle theft prevention standard which is not identical to such vehicle theft prevention standard.

【INSURANCE REPORTS AND INFORMATION

【SEC. 612. (a)(1) In order to—

【(A) prevent or discourage the theft of motor vehicles, particularly those vehicles which are stolen for the removal of certain parts,

【(B) prevent or discourage the sale and distribution in interstate commerce of used parts that are removed from such vehicles, and

【(C) help reduce the cost to consumers of comprehensive insurance coverage for motor vehicles, each insurer of such coverage (or their designated agents) shall provide to the Secretary the information required by this subsection. Such information shall be provided annually, beginning 2 years after the date of the enactment of this section.

【(2) Such information shall include—

【(A) the thefts and recoveries (in whole or in part) of motor vehicles;

【(B) the number of vehicles which have been recovered intact;

【(C) the rating rules and plans, such as loss data and rating characteristics, used by such insurers to establish premiums

for comprehensive insurance coverage for motor vehicles, including the basis for such premiums, and premium penalties for motor vehicles considered by such insurers as more likely to be stolen;

[(D) the actions taken by such insurers to reduce such premiums, including changes in rate levels for automobile comprehensive coverages, due to a reduction in thefts of motor vehicles;

[(E) the actions taken by such insurers to assist in deterring or reducing thefts of motor vehicles; and

[(F) such other information as the Secretary may require to administer this title and to make the report and findings required by this title.

The information on thefts and recoveries of such vehicles shall include an explanation about how such information is obtained by the insurer, the accuracy and timeliness of such information, and the use made of such information, including the extent to which such information is reported, including the frequency of such reporting, to national, public, and private entities, such as the Federal Bureau of Investigation and State and local police.

[(3) For purposes of this section, the term "insurer" includes any person which has a fleet of 20 or more motor vehicles (other than any governmental entity) which are used primarily for rental or lease and which are not covered by theft insurance policies issued by insurers of passenger motor vehicles.

[(4) The Secretary shall exempt from the requirements of this section, for one or more years, any insurer if the Secretary determines that such insurer should be exempted because—

[(A) the cost of preparing and furnishing reports and information is excessive in relation to the size of the business of the insurer, and

[(B) such reports and information will not significantly contribute to carrying out the purposes of this title.

[(5)(A) Subject to subparagraph (B), the Secretary shall, by rule, exempt from the requirements of this section small insurers if the Secretary finds that such exemption will not significantly affect the validity or usefulness of the information collected and compiled under this section, nationally or State-by-State.

[(B) The Secretary may not, under subparagraph (A), exempt any person who is considered an insurer under this section solely by reason of paragraph (3).

[(C)(i) Subject to clause (ii), for purposes of this paragraph, the term "small insurer" means any insurer whose premiums for motor vehicle insurance issued directly or through any affiliate, including any pooling arrangement established under State law or regulation for the issuance of motor vehicle insurance, account for less than one percent of the total premiums for all forms of motor vehicle insurance issued by insurers within the United States. The regulations under this paragraph shall provide that eligibility as a small insurer shall be based on the most recent calendar year for which adequate data is available, and that, once attained, such eligibility shall continue without further demonstration of qualification for one or more years, as the Secretary considers appropriate.

[(ii) For purposes of the reporting requirements under this section for an insurer's operations within any State, the term "small insurer" shall not include any insurer whose premiums for motor vehicle insurance issued directly or through any affiliate, including any pooling arrangement described in clause (i), account for 10 percent or more of the total premiums for all forms of motor vehicle insurance issued by insurers within such State.

[(b) The information obtained by the Secretary under this section shall be periodically compiled and (subject to section 552 of title 5, United States Code) published by the Secretary in a form that will be helpful to the public, including Federal, State, and local police, and Congress.

[(c) The Secretary shall consult with such State and insurance regulatory agencies and other agencies and associations, both public and private, as the Secretary deems appropriate.

[(d) If, in paying claims pursuant to adjustment or negotiations between the insurer and the insured for any stolen motor vehicle, any insurer reduces such payment by the amount of the value, salvage or otherwise, of any part subject to the standard which is recovered and such reduction is not made at the express election of the insured, the insurer shall promptly report such action in writing to the Secretary.

[(e) The information required by this section shall be furnished in such form as the Secretary shall prescribe by regulation or otherwise.

[(f) For purposes of this section, the term "motor vehicle" includes trucks, multipurpose passenger vehicles, and motorcycles.

[VOLUNTARY VEHICLE IDENTIFICATION STANDARDS

[SEC. 613. (a) The Secretary may, by rule, promulgate a vehicle theft prevention standard under which any person may elect to inscribe or affix an identifying number or symbol on major parts of any motor vehicle manufactured or owned by such person for purposes of section 511 of title 18, United States Code and related provisions. Such standard may include provisions for registration of such identification with the Secretary or any person designated by the Secretary.

[(b) The standard under this section shall be practicable, and shall provide relevant objective criteria.

[(c) Compliance with such standard shall be voluntary, and any failure to comply shall not be subject to penalty or enforcement under this title.

[(d) Compliance with such standard shall not relieve any manufacturer of any requirement under the standard under section 602.

[3-YEAR AND 5-YEAR STUDIES REGARDING MOTOR VEHICLE THEFT

[SEC. 614. (a)(1) Not later than 3 years after the date of the enactment of this title, the Secretary shall submit a report to the Congress which includes the information and legislative recommendations required under paragraphs (2) and (3).

[(2) The report required by this subsection shall include—

[(A) data on the number of trucks, multipurpose passenger vehicles, and motorcycles, stolen and recovered annually, com-

piled by model, make, and line for all such motor vehicles distributed for sale in interstate commerce;

[(B) information on the extent to which trucks, multipurpose passenger vehicles, and motorcycles, stolen annually are dismantled to recover parts or are exported;

[(C) a description of the market for such stolen parts;

[(D) information concerning the premiums charged by insurers of comprehensive insurance coverage of trucks, multipurpose passenger vehicles, or motorcycles, including any increase in such premiums charged because any such motor vehicle is a likely candidate for theft; and

[(E) an assessment of whether the identification of parts of trucks, multipurpose passenger vehicles, and motorcycles is likely to have (i) a beneficial impact in decreasing the rate of theft of such vehicles; (ii) improve the recovery rate of such vehicles; (iii) decrease the trafficking in stolen parts of such vehicles; (iv) stem the export and import of such stolen vehicles or parts; or (v) benefits which exceed the costs of such identification.

[(3) The report under this subsection shall recommend to Congress whether, and to what extent, the identification of trucks, multipurpose passenger vehicles, and motorcycles should be required by statute.

[(b)(1) Not later than 5 years after the promulgation of the standard required by this title, the Secretary shall submit a report to the Congress which includes the information and legislative recommendations required under paragraphs (2) and (3).

[(2) The report required by this subsection shall include—

[(A) information about the methods and procedures used by public and private entities for collecting, compiling, and disseminating information concerning the theft and recovery of motor vehicles, including classes thereof, and about the reliability, accuracy, and timeliness of such information, and how such information can be improved;

[(B) data on the number of motor vehicles stolen and recovered annually, compiled by the class of vehicle, model, make, and line for all such motor vehicles distributed for sale in interstate commerce;

[(C) information on the extent to which motor vehicles stolen annually are dismantled to recover parts or are exported;

[(D) a description of the market for such stolen parts;

[(E) information concerning the costs to manufacturers, as well as to purchasers of passenger motor vehicles, in complying with the standard promulgated under this title, as well as the identification of the beneficial impacts of the standard and the monetary value of any such impacts, and the extent to which such monetary value is greater than the costs;

[(F) information concerning the experience of Federal, State, and local officials in making arrests and successfully prosecuting persons for violations of the provisions of law set forth in titles II and III of the Motor Vehicle Theft Law Enforcement Act of 1984, in preventing or reducing the number, and rate of, thefts of motor vehicles that are dismantled for

parts subject to this title, and in preventing or reducing the availability of used parts that are stolen from motor vehicles subject to this title;

[(G) information concerning the premiums charged by insurers of comprehensive insurance coverage of motor vehicles subject to this title, including any increase in such premiums charged because a motor vehicle is a likely candidate for theft, and the extent to which such insurers have reduced for the benefit of consumers such premiums as a result of this title or have foregone premium increases as a result of this title;

[(H) information concerning the adequacy and effectiveness of Federal and State laws aimed at preventing the distribution and sale of used parts that have been removed from stolen motor vehicles and the adequacy of systems available to enforcement personnel for tracing parts to determine if they have been stolen from a motor vehicle;

[(I) an assessment of whether the identification of parts of other classes of motor vehicles is likely to have (i) a beneficial impact in decreasing the rate of theft of such vehicles; (ii) improve the recovery rate of such vehicles; (iii) decrease the trafficking in stolen parts of such vehicles; (iv) stem the export and import of such stolen vehicles, parts, or components; or (v) benefits which exceed the costs of such identification; and

[(J) other pertinent and reliable information available to the Secretary concerning the impact, including the beneficial impact, of this title and titles II and III of the Motor Vehicle Theft Law Enforcement Act of 1984 on law enforcement, consumers, and manufacturers.

[(3) The report submitted under this subsection to the Congress shall include recommendations for (A) continuing the standard established by this title without change, (B) modifying this title to cover more or fewer lines of passenger motor vehicles, (C) modifying this title to cover other classes of motor vehicles, or (D) terminating the standard for all future motor vehicles. The report may include, as appropriate, legislative and administrative recommendations.

[(c)(1) The reports under subsections (a) and (b) shall each be based on (A) the information reported under this title by insurers of motor vehicles and manufacturers of such vehicles and major replacement parts, (B) information provided by the Federal Bureau of Investigation, (C) experience obtained in the implementation, administration, and enforcement of this title, (D) experience gained by the Government under titles II and III of the Motor Vehicle Theft Law Enforcement Act of 1984, and (E) any other reliable and relevant information available to the Secretary.

[(2) In preparing each such report, the Secretary shall consult with the Attorney General of the United States and with State and local law enforcement officials, as appropriate.

[(3) The report under subsection (b) shall (A) cover a period of at least four years subsequent to the promulgation of the standard required by this title, and (B) reflect any information, as appropriate, from the report under subsection (a) updated from the time of such report.

【(4) At least 90 days before submitting each such report to Congress, the Secretary shall publish the proposed report for public review and for an opportunity for written comment of at least 45 days. The Secretary shall consider such comments in preparing the final report and shall include a summary of such comments with the final report.】

TITLE VI—ILLICIT TRAFFICKING IN STOLEN AUTO PARTS

SEC. 601. DEFINITIONS.

For purposes of this title—

(1) *The term “automobile” has the meaning given such term in section 501(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001(1)).*

(2) *The term “completed automobile” means an automobile that requires no further manufacturing operations to perform its intended function other than the addition of readily available components such as mirrors or tire and rim assemblies or minor finishing operations such as painting.*

(3) *The term “final stage manufacturer” means a person who performs such manufacturing operations on an incomplete automobile that it becomes a completed automobile.*

(4) *The term “first purchaser” means first purchaser for purposes other than resale.*

(5) *The term “incomplete automobile” means an assemblage consisting, as a minimum, of frame and chassis structure, power train, steering system, suspension system, and braking system to the extent that such systems are to be part of the completed automobile and require further manufacturing operations to become a completed automobile other than the addition of readily attachable components such as mirrors and tire and rim assemblies or minor finishing operations such as painting.*

(6) *The term “major part” of an automobile means—*

(A) *the engine block;*

(B) *the transmission;*

(C) *each door allowing entrance or egress to the passenger compartment;*

(D) *the hood;*

(E) *the grille;*

(F) *each bumper;*

(G) *each front fender;*

(H) *the deck lid, tailgate, or hatchback (whichever is present);*

(I) *rear quarter panels;*

(J) *the trunk floor pan;*

(K) *the frame or, in the case of a unitized body, the supporting structure which serves as the frame;*

(L) *each major window; and*

(M) any other part of an automobile which the Secretary, by rule, determines is comparable in design or function to any of the parts listed in subparagraphs (A) through (L).

(7) The term "major replacement part" of an automobile means any major part—

(A) which is—

(i) not installed in or on an automobile at the time of its delivery to the first purchaser, or

(ii) a customized or modified version of an original major part and is installed to replace a major part in or on a completed automobile after the manufacture of such automobile but before the time of its delivery to the first purchaser, and

(B) the equitable or legal title to which has not been transferred to any first purchaser.

Such term does not include any mechanical or service component of a major part routinely or regularly replaced during the service life of the major part.

(8) The term "vehicle identification number" means a unique 17 character identification number assigned to an automobile by a manufacturer in compliance with applicable regulations.

(9) The term "automobile theft prevention standard" means a minimum performance standard for the identification of—

(A) major parts of new automobiles, and

(B) major replacement parts,

by inscribing or affixing numbers or symbols to such parts.

SEC. 602. THEFT PREVENTION STANDARD.

(a) **IN GENERAL.**—The Secretary shall by rule promulgate, in accordance with this section, an automobile theft prevention standard which conforms to the requirements of this title and which applies with respect to major parts and major replacement parts for automobiles. The standard under this subsection shall be practicable and shall provide relevant objective criteria.

(b) **TIMING.**—

(1) **PROPOSED STANDARD.**—Not later than 3 months after the date of the enactment of this title, the Secretary shall prescribe and publish a proposed vehicle theft prevention standard.

(2) **FINAL STANDARD.**—As soon as practicable after the 30th day following the publication of the proposed standard under paragraph (1), but not later than 6 months after such date of enactment, the Secretary shall promulgate a final rule establishing such a standard.

(3) **EXTENSION.**—The Secretary may, for good cause, extend the 3-month and 6-month periods under paragraphs (1) and (2) if the Secretary publishes the reasons therefor. Either such period may not, in the aggregate, be extended by more than 5 months.

(4) **EFFECTIVE DATE.**—Such standard shall take effect not earlier than 12 months after the date such final rule is prescribed, except that the standard shall not apply to any automobile with a model year designation earlier than one year following the calendar year in which the standard becomes effective.

(c) **REQUIREMENTS.**—

(1) **ENGINE BLOCKS, FRAMES, TRANSMISSIONS, AND WINDOWS.**—In the case of engine blocks, frames, transmissions, and windows installed by the automobile manufacturer, the standard under subsection (a) shall require that each such engine block, frame, transmission, and window be permanently inscribed with the vehicle identification number of the automobile of which the engine block, frame, transmission, or window is a part.

(2) **MAJOR PARTS.**—In the case of major parts other than engine blocks, frames, transmissions, and windows, the standard under subsection (a) shall require that each such major part has affixed to it a label that—

(A) bears the vehicle identification number of the automobile in characters at least 2.5 millimeters tall;

(B) is highly resistant to counterfeiting, through the use of retroreflective technology, encoded indicia technology, or other technology providing a level of security equivalent to or greater than that provided by retroreflective or encoded indicia technology;

(C) cannot be removed in one piece from the part to which it is affixed; and

(D) if removed from the part to which it is affixed, leaves on that part a permanent mark.

(3) **REPLACEMENT PARTS.**—In the case of major replacement parts, the standard under subsection (a) shall require that each such major replacement part has affixed to it a label that—

(A) bears a symbol identifying the manufacturer and a common symbol identifying the part as a major replacement part;

(B) is highly resistant to counterfeiting, through the use of retroreflective technology, an encoded indicia technology, or other technology providing a level of security equivalent to or greater than that provided by retroreflective or encoded indicia technology;

(C) cannot be removed in one piece from the part to which it is affixed; and

(D) if removed from the part to which it is affixed, leaves on that part a permanent mark.

(d) **CONSTRUCTION.**—Nothing in this title shall be construed to grant authority to require any person to keep records or make reports, except as expressly provided in sections 604(a) and 612.

SEC. 603. COST LIMITATION.

(a) **COST LIMITATION.**—The standard under section 602(a) may not—

(1) impose costs upon any manufacturer of automobiles to comply with such standard in excess of \$15 per automobile, or

(2) impose costs upon any manufacturer of major replacement parts to comply with such standard in excess of such reasonable lesser amount per major replacement part as the Secretary specifies in such standard.

(b) **COSTS.**—The cost of identifying engine blocks, frames, and transmissions shall not be taken into account in calculating a manufacturer's costs under subsection (a) of this section.

(c) PRICE INDEX.—

(1) **CERTIFICATION.**—At the beginning of each calendar year commencing on or after January 1, 1993, as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Secretary and publish in the Federal Register the percentage difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Effective for model years beginning in such calendar year, the amounts specified under subsections (a) (1) and (2) shall be adjusted by such percentage difference.

(2) **DEFINITIONS.**—For purposes of paragraph (1)—

(A) The term “base period” means calendar year 1992.

(B) The term “price index” means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

SEC. 604. DETERMINATION OF COMPLIANCE OF MANUFACTURER.

(a) **REQUIREMENTS.**—Every manufacturer of any automobile any part of which is subject to the standard under section 602(a), and any manufacturer of major replacement parts subject to such standard, shall—

(1) establish and maintain such records, make such reports, and provide such items and information as the Secretary may reasonably require to enable the Secretary to determine whether such manufacturer has acted or is acting in compliance with this title and such standard, and

(2) upon request of an officer or employee duly designated by the Secretary, permit such officer or employee to inspect—

(A) automobiles and major parts which are subject to such standard, and

(B) appropriate books, papers, records, and documents relevant to determining whether such manufacturer has acted or is acting in compliance with this title and such standard.

Such manufacturer shall make available all such items and information in accordance with such reasonable rules as the Secretary may prescribe.

(b) **INSPECTIONS.**—For purposes of enforcing this title, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, may enter and inspect any facility in which automobiles containing major parts subject to such standard, or major replacement parts subject to such standard, are manufactured, held for introduction into interstate commerce, or are held for sale after such introduction. Each such inspection shall be conducted at reasonable times and in a reasonable manner and shall be commenced and completed with reasonable promptness.

(c) **CERTIFICATION.**—

(1) **SPECIFICATION.**—Every manufacturer of an automobile subject to the standard promulgated under section 602(a), and every manufacturer of any major replacement part subject to such standard, shall furnish at the time of delivery of such

automobile or part a certification that such automobile or replacement part conforms to the applicable standard under such section. Such certification shall accompany such automobile or replacement part until delivery to the first purchaser. Manufacturers may satisfy the requirement of this paragraph by furnishing certification in a form and manner prescribed by the Secretary or by proof of compliance with the standards of a third party certifying organization approved by the Secretary.

(2) **APPLICATION.**—Paragraph (1) shall not apply to any automobile or major replacement part—

(A) which is intended solely for export,

(B) which is so labeled or tagged on the automobile or replacement part itself and on the outside of the container, if any, until exported, and

(C) which is exported.

(d) If a manufacturer obtains knowledge that (1) the identification applied, to conform to the standard under section 602, to any major part installed by the manufacturer in an automobile during its assembly, or to any major replacement part manufactured by the manufacturer, contains an error, and (2) such automobile or major replacement part has been distributed in interstate commerce, the manufacturer shall furnish notification of such error to the Secretary.

SEC. 605. PROHIBITED ACTS.

(a) **IN GENERAL.**—No person shall—

(1) manufacture for sale, sell, offer for sale, or introduce or deliver for introduction in interstate commerce, or import into the United States any automobile or major replacement part which is manufactured on or after the date the standard under section 602(a) takes effect under this title for such automobile or major replacement part unless it is in conformity with such standard;

(2) fail to comply with any rule prescribed by the Secretary under this title;

(3) fail to keep specified records or refuse access to or copying of records, or fail to make reports or provide items or information, or fail or refuse to permit entry or inspection, as required by this title; or

(4) fail to—

(A) furnish certification required by section 604(c), or

(B) issue a certification required by section 604(c) if such person knows, or in the exercise of due care has reason to know, that such certification is false or misleading in a material respect.

(b) **APPLICATION.**—Subsection (a)(1) shall not apply to—

(1) any person who establishes that such person did not have reason to know in the exercise of due care that the automobile or major replacement part is not in conformity with an applicable theft prevention standard,

(2) the final-stage manufacturer of an automobile manufactured in 2 or more stages by 2 or more different manufacturers,

(3) an individual or entity which is not the manufacturer of a completed automobile but which alters or modifies a completed

automobile by outfitting it with a cargo-carrying or property-carrying body or with work-performing equipment, or

(4) an individual or entity who assembles an automobile from parts which have been previously transferred to a first purchaser.

(c) PARTS.—No person shall sell, transfer, or install a major part marked with an identification number without—

(1) first determining, through a procedure established by the Attorney General under section 302 of the Anti Car Theft Act of 1992, that such major part has not been reported as stolen; and

(2) providing the transferee with a written certificate bearing a description of such major part and the identification number affixed to such major part.

(d) APPLICATION.—Subsection (c)(1) of this section shall not apply to a person who is the manufacturer of the major part, who has purchased the major part directly from the manufacturer, or who has been informed by an insurance carrier that the major part has not been reported as stolen.

SEC. 606. ENFORCEMENT PROVISIONS.

(a) CIVIL PENALTIES.—Whoever violates section 605 may be assessed a civil penalty of—

(A) not more than \$1,000 for the first such violation;

(B) not less than \$3,000 or more than \$5,000 for the second such violation; or

(C) not less than \$7,000 or more than \$25,000 for each subsequent violation.

(b) ACTION ON PENALTY.—Any civil penalty under subsection (a) shall be assessed by the Secretary and collected in a civil action brought by the Attorney General of the United States. Any such civil penalty may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered.

(c) DEDUCTION.—The amount of a civil penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the United States to the person charged.

SEC. 607. CONFIDENTIALITY OF INFORMATION.

All information reported to, or otherwise obtained by, the Secretary or the Secretary's representative under this title which contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, or in section 552(b)(4) of title 5, United States Code, shall be considered confidential for the purpose of the applicable section of this title, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under the Secretary's control from any committee or subcommittee of the Congress.

SEC. 608. JUDICIAL REVIEW.

Any person who may be adversely affected by any provision of any standard or other rule under this title may obtain judicial review of such standard or rule in accordance with section 504. Nothing in this section shall preclude the availability to any person of other remedies provided by law in the case of any standard, rule, or other action under this title.

SEC. 609. COORDINATION WITH STATE AND LOCAL LAW.

Whenever an automobile theft prevention standard established under section 602(a) is in effect, no State or political subdivision of a State shall have any authority either to establish, or to continue in effect, with respect to any automobile or major replacement part covered by such standard, any regulation or law which is not consistent with such automobile standard.

SEC. 610. VOLUNTARY IDENTIFICATION STANDARDS.

(a) AUTHORITY TO PROMULGATE.—The Secretary may, by rule, promulgate an automobile theft prevention standard under which any person may elect to inscribe or affix an identifying number or symbol on major parts of any automobile manufactured or owned by such person for purposes of section 511 of title 18, United States Code, and related provisions. Such standard may include provisions for registration of such identification with the Secretary or any person designated by the Secretary.

(b) CRITERIA.—The standard promulgated under subsection (a) shall be practicable and shall provide relevant objective criteria,

(c) VOLUNTARY COMPLIANCE.—Compliance with the standard promulgated under subsection (a) shall be voluntary and failure to comply with such standard shall not be subject to a penalty or other enforcement under this title.

(d) RELIEF FROM REQUIREMENTS.—Compliance with the standard promulgated under subsection (a) shall not relieve any manufacturer of any requirement under a standard promulgated under section 602.

SEC. 611. STUDY REGARDING AUTOMOBILE THEFT.**(a) REPORT.—**

(1) REPORT.—Not later than 6 years after the date of the enactment of this title, the Secretary shall submit a report to the Congress concerning the impact of the Anti Car Theft Act of 1992 on automobile theft.

(2) CONTENT.—The report required by this subsection shall include—

(A) information about the methods and procedures used by public and private entities for collecting, compiling, and disseminating information concerning the theft and recovery of automobiles, including classes thereof, and about the reliability, accuracy, and timeliness of such information, and how such information can be improved;

(B) data on the number of automobiles stolen and recovered annually, compiled by model, make, and line for all such automobiles distributed for sale in interstate commerce;

(C) information on the extent to which automobiles stolen annually are dismantled to recover parts or are exported;

(D) a description of the market for stolen automobile parts;

(E) information concerning the premiums charged by insurers (other than insurers whose total premiums do not account for more than one percent of the total premiums of automobile insurance issued within the United States or for 10 percent or more of the total premiums for automobile insurance written within any one State) of comprehensive insurance coverage of automobiles, including any decrease in insurance loss costs resulting from automobile theft;

(F) information concerning the costs to manufacturers, as well as to purchasers of automobiles, in complying with the standard promulgated under this title, as well as the identification of the beneficial impacts of the standard and the monetary value of any such impacts, and the extent to which such monetary value is greater than the costs;

(G) information concerning the experience of Federal, State, and local officials in making arrests and successfully prosecuting persons for violations of sections 511, 512, 553, 2312, 2313, and 2321 of title 18, United States Code, in preventing or reducing the number, and rate of, thefts of automobiles that are dismantled for parts, and in preventing or reducing the availability of used parts that are stolen from automobiles;

(H) information concerning the adequacy and effectiveness of Federal and State laws aimed at preventing the distribution and sale of used parts that have been removed from stolen automobiles and the adequacy of systems available to enforcement personnel for tracing parts to determine if they have been stolen;

(I) an assessment of the performance of the information systems established under this title and title III of the Anti Car Theft Act of 1992, including an assessment of the feasibility of linking the 2 information systems; and

(J) other pertinent and reliable information available to the Secretary concerning the impact, including the beneficial impact, of the Anti Car Theft Act of 1992 on law enforcement, consumers, and manufacturers.

(c) **BASES FOR REPORT.**—

(1) **CONTENT.**—The report under subsection (a) shall be based on (A) information provided by the Federal Bureau of Investigation, (B) experience obtained in the implementation, administration, and enforcement of the Anti Car Theft Act of 1992, and (C) relevant information available to the Secretary.

(2) **CONSULTATION.**—In preparing such report, the Secretary shall consult with the Attorney General of the United States and with State and local law enforcement officials, as appropriate.

(3) **REVIEW AND COMMENT.**—At least 90 days before submitting such report to Congress, the Secretary shall publish the proposed report for public review and for an opportunity for written comment of at least 45 days. The Secretary shall consid-

er such comments in preparing the final report and shall include a summary of such comments with the final report.

SECTION 646A OF THE TARIFF ACT OF 1930

SEC. 646A. RANDOM CUSTOMS INSPECTIONS FOR STOLEN AUTOMOBILES BEING EXPORTED.

The Commissioner of Customs shall direct customs officers to conduct at random inspections of automobiles, and of shipping containers that may contain automobiles that are being exported, for purposes of determining whether such automobiles were stolen.

SEC. 646B. EXPORT REPORTING REQUIREMENT.

The Commissioner of Customs shall require all persons or entities exporting used automobiles, including automobiles exported for personal use, by air or ship to provide to the Customs Service, at least 72 hours before the export, the vehicle identification number of each such automobile and proof of ownership of such automobile. The Commissioner shall check all vehicle identification numbers obtained under this section against the information in the National Crime Information Center to determine whether any automobile intended for export has been reported stolen. At the request of the Director of the Federal Bureau of Investigation, the Commissioner shall make available to the Director all vehicle identification numbers obtained under this section.

ADDITIONAL VIEWS OF GEORGE ALLEN

While I support many of the provisions of H.R. 4542, the "Anti-Car Theft Act of 1992" as amended and reported by the Committee on the Judiciary, I must disagree with the inclusion of the following provision:

H.R. 4542 establishes a national motor vehicle title information system. This system provides for the sharing of titling information between the States, in an effort to prevent "washing" of titles across state lines by car thieves. While such a system may prove helpful in reducing the theft of cars, I question the use of certain sanctions against States which choose not to participate in the program. Such States could lose a portion of their federal highway funds for failing to participate. Section 203 uses Congressional "blackmail" in that the people of the States will lose up to 10% of their federal transportation funds annually if they are not in complete compliance.

The coercive nature of such a penalty is inconsistent with notions of federalism. While it may no doubt be advisable for a State to participate, preempting State decision-making and usurping the legislative authority of State legislatures appears paternalistic and something less than the ideal the framers of this Nation had in mind. I cannot advocate replacing the judgment of the State legislatures with our own.

Furthermore, there is no evidence that the State legislators would not revise their various laws to effectuate the goal of this bill. Why not assume the best, rather than employ this insulting provision?

GEORGE ALLEN.

